

Schedule 13

Department of Human Services

Funding Request for The FY 2019-20 Budget Cycle

Request Title

R-05 Improving Nutrition in Rural and Underserved Comm.

Dept. Approval By: Melissa Wavellet

Supplemental FY 2018-19

OSPB Approval By: [Signature]

Budget Amendment FY 2019-20

X

Change Request FY 2019-20

Summary Information	Fund	FY 2018-19		FY 2019-20		FY 2020-21
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
	Total	\$1,787,420	\$0	\$1,795,305	\$1,030,000	\$1,030,000
	FTE	16.3	0.0	17.0	0.0	0.0
Total of All Line Items Impacted by Change Request	GF	\$895,153	\$0	\$899,071	\$465,000	\$465,000
	CF	\$0	\$0	\$0	\$0	\$0
	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$892,267	\$0	\$896,234	\$565,000	\$565,000

Line Item Information	Fund	FY 2018-19		FY 2019-20		FY 2020-21
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
	Total	\$1,787,420	\$0	\$1,795,305	\$1,030,000	\$1,030,000
07. Office of Self Sufficiency, (C) Special Purpose Welfare Programs, (1) Special Purpose Welfare Programs - Supplemental Nutrition Assistance Program	FTE	16.3	0.0	17.0	0.0	0.0
	GF	\$895,153	\$0	\$899,071	\$465,000	\$465,000
	CF	\$0	\$0	\$0	\$0	\$0
	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$892,267	\$0	\$896,234	\$565,000	\$565,000

Auxiliary Data			
Requires Legislation?	YES		
Type of Request?	Department of Human Services Prioritized Request	Interagency Approval or Related Schedule 13s:	No Other Agency Impact

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Cost and FTE

- The Department requests \$1,030,000 total funds, including \$465,000 General Fund and \$565,000 federal/Supplemental Nutrition Assistance Program (SNAP) funds in FY 2019-20 through FY 2021-22 to improve Colorado’s food security and access, specifically aimed at improving nutrition in underserved rural/frontier communities.
- This is new funding over the FY 2018-19 appropriation.

Current Program

- House Bill 10-1022 required the Department to create a policy, in compliance with federal law, to establish SNAP outreach in Colorado.
- SNAP provides nearly \$60 million monthly in federal food benefits to nearly 465,000 Coloradans.
- The Department currently administers SNAP Outreach activities with one half-time, grant-funded FTE. That grant will end on September 30, 2019.

Problem or Opportunity

- Too many Coloradans struggle with poverty and food insecurity. One out of every eight Coloradans (12.1%), including one out of every five children, struggle with food insecurity. The majority of these underserved Coloradans live in rural communities within the State.
- Colorado has consistently ranked 44th – 46th in the program access index (PAI), the federal measure for SNAP access among eligible residents.
- Increasing access improves community and individual outcomes by reducing hunger and positions Colorado to receive federal incentive funds available to states that perform well in PAI and/or substantially improve access for citizens.

Consequences of Problem

- Failing to reduce hunger among the thousands of rural women, children, elderly, and disabled Coloradans who are eligible, but unenrolled in SNAP, will adversely affect health outcomes, school performance, and more.
- In terms of economic development, low SNAP enrollment translates into lost revenue for local communities who lose nearly \$9 in revenue for every \$5 of SNAP benefits (Center for Children’s Law and Policy).

Proposed Solution

- The Department requests \$1,030,000 total funds, including \$465,000 General Fund and \$565,000 federal funds in FY 2019-20 through FY 2021-22 to solidify SNAP outreach, access, and delivery for a 3-year project.
- Of this amount, \$900,000 will support programmatic activities to increase enrollment in SNAP among Coloradans in rural and underserved communities. The remaining \$130,000 will support one contract position to administer current and develop future SNAP outreach contracts, monitor contractor performance, and process payments for eligible activities to increase SNAP enrollment.

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Department Priority: R-05
Request Detail: Improving Nutrition in Rural and Underserved Communities

Summary of Incremental Funding Change for FY 2019-20	Total Funds	FTE	General Fund	Federal Funds
Improving Nutrition in Rural and Underserved Communities	\$1,030,000	0.0	\$465,000	\$565,000
Summary of Incremental Funding Change for FY 2020-2021	Total Funds	FTE	General Fund	Federal Funds
Improving Nutrition in Rural and Underserved Communities	\$1,030,000	0.0	\$465,000	\$565,000

Problem or Opportunity:

The Department requests \$1,030,000 total funds, including \$465,000 General Fund and \$565,000 federal/Supplemental Nutrition Assistance Program (SNAP) funds in 2019-20 through FY 2021-22 to improve Colorado’s food security and access, specifically aimed at improving nutrition in underserved rural/frontier communities.

Increasing Food Security Reduces Poverty

The U.S. Department of Agriculture (USDA) defines food insecurity as consistent reduced food intake or disrupted eating patterns due to a lack of income or other resources. In 2015, the USDA Economic Research Service reported that 12.7% of all U.S. households experience food insecurity, including children, seniors, the disabled, military members, underemployed workers, and more. In Colorado, at least one in every 12 residents (476,000 individuals or 9% of the State’s population) is hungry. Hardest hit are families of color and families with children. According to the Annie E. Casey Foundation, 176,000 Colorado children were food insecure at some point in 2015. Furthermore, food insecurity (i.e. hunger) impacts a person’s long-term health and can be a culprit of obesity, acute and chronic illnesses, low birth-weight babies, and other preventable conditions. Alternatively, investing in SNAP improves individuals’ likelihood for good health, versus paying to treat preventable conditions in the future.

There is consistent evidence that SNAP benefits are a critical component of food security (Malbi and Ohls, 2015). In fact, after the Earned Income Tax Credit (EITC), SNAP lifts the most children out of poverty

(2015, U.S. Department of Census, Current Population Report). Sixty percent of all households comprised of children and at least one non-disabled, non-elderly adult have earnings while receiving SNAP (Keith-Jennings B, Palacios V. *SNAP Helps Millions of Low-wage Workers*, 2017). Beyond a purely nutritional aspect, SNAP benefits aid the working poor in numerous ways, including reducing income volatility due to variable work hours, supplementing low wages, and supporting workers and their families when they are between jobs.

Connecting eligible, interested Coloradans with critical grocery benefits requires proactive efforts to reach Colorado households that appear to qualify for SNAP, but are not enrolled. Currently, Colorado's outreach efforts wholly entail a) contracted outreach partners who must bring financial resources to the table in order to receive federal matching funds, and b) one half-time, grant-funded employee who coordinates and monitors activities of the outreach partners. Colorado had been awarded funds through a national funding opportunity, coordinated by Benefits Data Trust, to increase food assistance among low-income seniors. This grant also included funds for the half-time employee to manage SNAP outreach. The grant expires in September 2019, leaving the Department with no employee to manage and facilitate outreach efforts across the State. Furthermore, the Department lacks resources to entice community organizations to conduct SNAP outreach. Currently, the Department only contracts outreach services to entities with resources to pay for 50% of the cost required to draw-down the 50% federal match. This leaves many food pantries and smaller, community-based organizations in rural and underserved areas unable to be an outreach partner, despite their interest to do so. Rural Colorado communities are especially vulnerable to this phenomenon, lacking any local outreach efforts.

Reducing Food Insecurity in Colorado

To date in federal fiscal year 2017-18 (FFY 2017-18), SNAP has served nearly 452,000 Coloradans – including children, seniors, working people, the unemployed, students, active duty military, Veterans, and homeless individuals – every month via nearly \$60 million in SNAP benefits. Yet, approximately 211,000 Colorado households who appear to qualify for SNAP benefits are not enrolled in the program. This performance ranks Colorado 44th in the nation in program access. In other words, only six states are less successful in enrolling eligible households into SNAP. The documented effects of poor SNAP access are strong, both on an individual and State level. For instance, a report estimated that “hunger costs our nation at least \$167.5 billion annually, due to the combination of lost productivity, more expensive public education because of the rising costs of poor education outcomes, avoidable health care costs, and the cost of charity to keep families fed.” (Shepard D, Setren E, Cooper D. *Hunger in America, Suffering We All Pay For*, Center for American Progress, 2011) Other studies correlate cost savings among low-income individuals receiving both Medicaid and SNAP versus Medicaid only, documenting a 20-25% reduction in Medicaid costs for individuals enrolled in both programs. The University of Kentucky Center for Poverty Research found that every \$1 spent on SNAP reduced Medicaid costs by \$50. According to the Center for Children's Law and Policy, every \$5 in SNAP benefits generates about \$8.50 in economic activity in Colorado communities. If all 211,000 Colorado households who appear to qualify for SNAP were enrolled in the program, it could generate more than \$100 million in monthly economic activity.

Clearly, increasing SNAP access and enrollment will promote a healthier, better educated workforce and stronger communities, while failing to do so predicts poor health and economic outcomes. Additionally, it is a critical component of federal performance measures (Program Access Index), the Department’s Strategic Policy Initiatives to help Coloradans “Thrive in their community” and “Achieve economic security.”

Proposed Solution:

The Department requests \$1,030,000 total funds, including \$465,000 General Fund and \$565,000 federal SNAP funds in FY 2019-20 through FY 2021-22. This funding will allow the Department to sustain contract management and programmatic elements required to implement HB 10-1022 and expand efforts to mitigate food insecurity in rural and underserved communities.

Currently, SNAP application assistance, a key form of SNAP outreach, is available in a very limited area of the State, as demonstrated in Figure 1. The vast majority of the State’s counties have no recourse to help residents struggling with food insecurity other than a staff worker to respond to phone inquiries (as indicated in the darkest shading on the map.) Yet, in-person application assistance (available in the lighter shading on the Colorado map) is the method that results in the most individuals being connected with critical food benefits (Malbi, 2015). Providing funds to support SNAP outreach will bridge the gap in rural Colorado, enabling this critical, in-person application assistance in these underserved communities.

Figure 1: SNAP Application Assistance

Colorado SNAP



Application Assistance Provider Areas

Revised October 2017

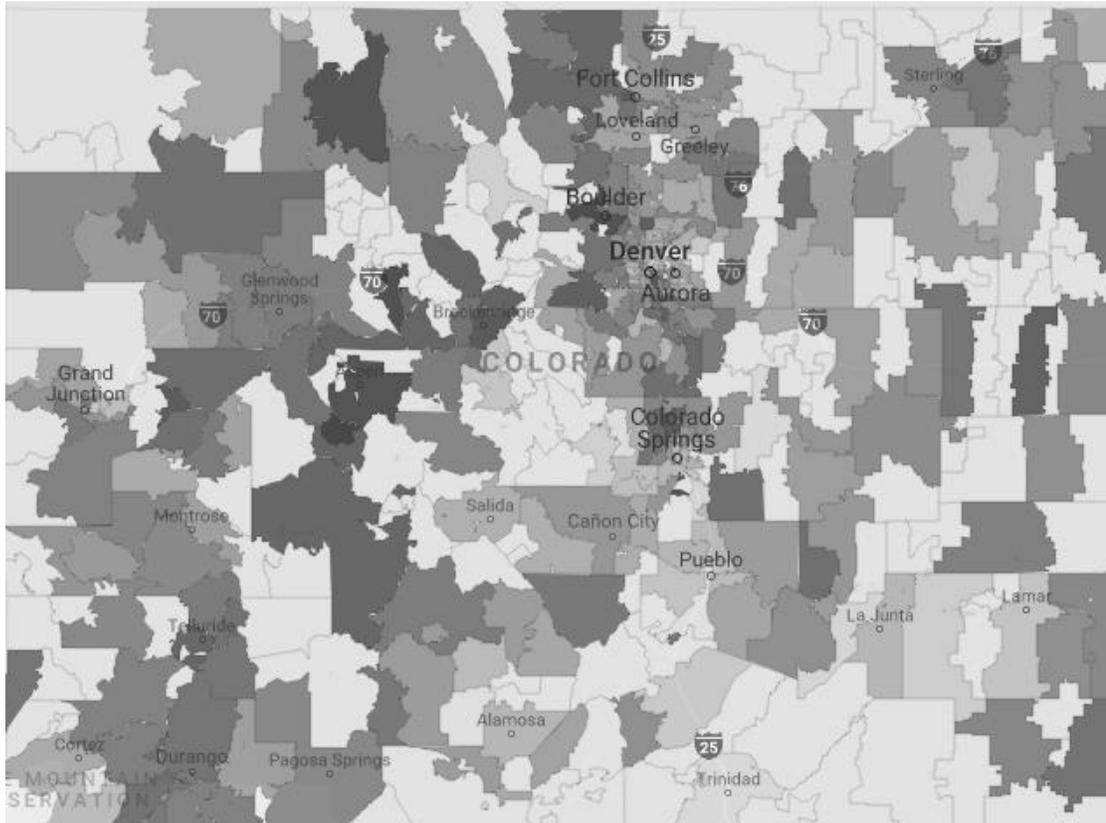
Apply online for SNAP and find county human services locations at www.Colorado.gov/PEAK

Call 1-855-855-4626 to apply by phone!
Are you a senior? Call 1-855-871-2696

Do you live in one of these areas?
Apply in person at one of these locations!

Figure 2 illustrates the pervasive reach of food insecurity across Colorado. Specifically, the map presents areas of low SNAP enrollment using an adapted Food and Nutrition Services (FNS) methodology to estimate eligibility for smaller geographic areas. Lighter-shaded areas indicate higher SNAP enrollment. Other than pockets of low access in metro Denver, which is common in dense, urban areas, the vast majority of communities with low SNAP enrollment are in rural and frontier communities.

Figure 2: Food Insecurity in Colorado



*Colorado Department of Human Services, average annual county caseload, FY 2013-14, 2014-15, and 2015-16, as reported in the FNS-388 (the annual caseload report states provide to the Federal Nutrition Service). U.S. Census Bureau, American Community Survey, 2012-2016 (5-year estimates), county population at or below 125% FPL □ For Big 10 counties, annual estimates of population at or below 125% FPL from American Community Survey for 2014, 2015, and 2016.

The Department lacks resources targeted to reducing food insecurity. Currently, all direct costs of outreach, including administrative support, are provided by the Department’s non-profit contractors. Outreach is a complex process, requiring both a network of providers dedicated to outreach and contract management and oversight among the non-profit outreach partners to maximize efforts and ensure Colorado remains compliant with the federal regulations that prescribe how funds are used.

Therefore, the Department intends to expand outreach efforts by making \$900,000 available to partner organizations to perform SNAP outreach, particularly in-person application assistance, in underserved rural Colorado communities. Rural outreach partners will be expected to contribute 10% (\$100,000) of the total cost of direct outreach (which will draw-down a corresponding federal match for a total investment of \$1 million in outreach activities.) Requiring a small portion of the total cost will ensure a strong commitment

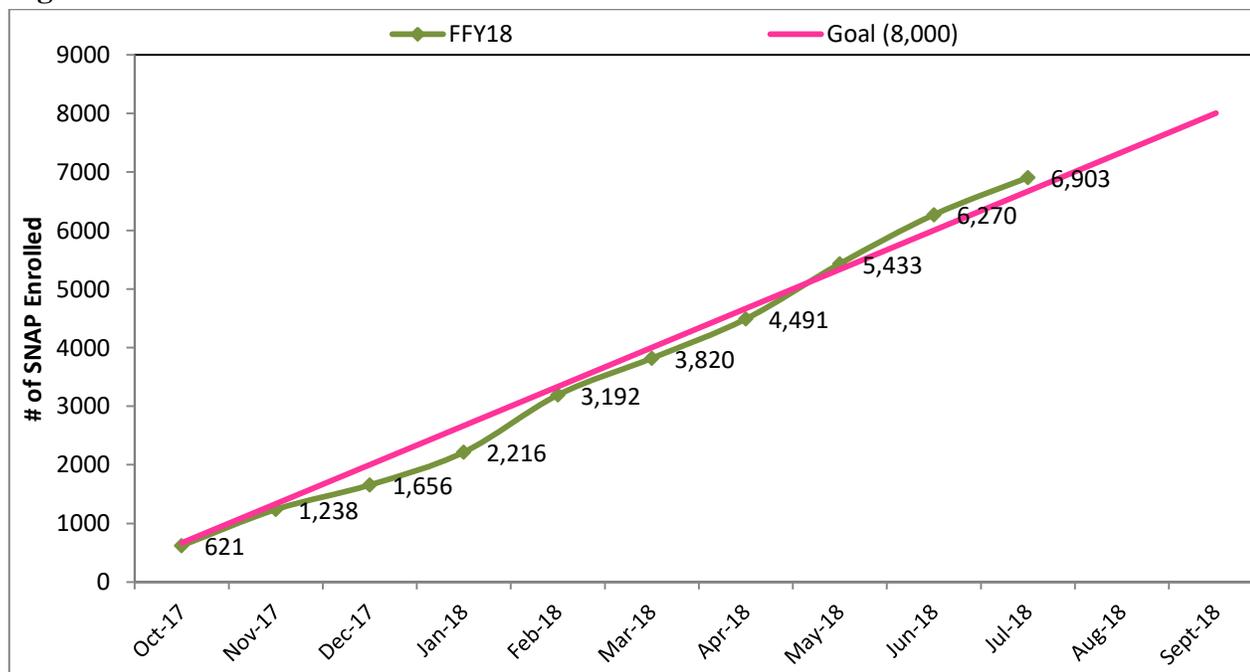
to outreach, yet opens the door to new, rural partners who cannot provide the current 50% contribution. An additional \$130,000 (50% General Fund and 50% federal funds) will support a State contractor position to recruit, manage, and monitor outreach partners.

Partner organizations will be responsible for finding underserved individuals and communities and providing application assistance to individuals interested in food assistance. Potential methodologies include but are not limited to partnering with schools using lists of free/reduced lunch students, partnering with child care providers, partnering with home school organizations, partnering with food pantries, partnering with religious organizations, and other forms of contact with pools of vulnerable populations.

The Department intends to improve its current rank of 44th in the nation for SNAP access by reducing the number of Coloradans plagued by food insecurity by 5.5% annually. Accomplishing this goal will require an ongoing, concerted approach to reducing food insecurity with a hired contractor to lead that effort. This approach will entail identifying unserved areas of poverty in rural and underserved communities across Colorado, providing sufficient information and assistance to equip individuals to understand SNAP benefits and apply for assistance, and overseeing statewide efforts to implement this approach.

As Figure 3 illustrates, the Department’s outreach efforts are beginning to yield success. However, outreach efforts will need to intensify in order to maintain a steady growth of 5.5%, especially as efforts move to rural and underserved communities via funds secured through this request.

Figure 3: SNAP Enrollment



In addition to direct outreach funds, increasing SNAP participation among eligible households by 5.5% requires one contractor position to connect more vulnerable rural Coloradans with groceries to meet their daily needs and address rural and child hunger in Colorado. Table 1 presents the particular tasks that must

be completed in order to ensure fidelity to the outreach process. Currently, only the bare minimums of required tasks (i.e. ensuring fidelity to the contracts, per the final bullet below) are completed by the half-time FTE. Increasing SNAP participation will require a comprehensive set of activities beyond simple performance monitoring.

Table 1: Time/effort required for SNAP Outreach

Activity	Description	Hours/Year
Federal Plan	Submit the annual Outreach Plan for federal approval and resolve any questions from the FNS during the process. This includes collecting individualized plans from all vendors and creating a singular document.	240 hours
Continual Monitoring	Monitor performance and outcomes among the statewide outreach contractors.	400 hours
Sustainability Training	Train contractors in sustainable outreach efforts.	60 hours
Research	Research and identify new practices to consider and test in SNAP outreach.	160 hours
Technical Assistance	Support outreach partners with ongoing development and monitoring of their outreach plans.	110 hours
Technical Training	Develop and deliver ongoing training that ensures that outreach services are provided in compliance with federal regulations.	160 hours
Outcomes Reporting	Track progress in articulation of the statewide outreach plan and goal attainment.	200 hours
Federal Compliance	Oversee federally-mandated monitoring and reporting of vendor contracts to increase SNAP access and reduce food insecurity in Colorado	750 hours
Total:		2,080 hours

The duties required by this new position cannot be absorbed by existing staff, including the new SNAP FTE approved for FY 2018-19. The five new FTE are filling existing gaps in administering SNAP, including developing and delivering more robust county technical assistance, implementing new federal SNAP requirements and regulations, and SB 16-190 compliance. There is no extra capacity to support SNAP outreach. Furthermore, the strict federal regulations specific to SNAP fiscal allowable expenditures require separate funding and tracking of such to ensure that outreach costs are differentiated from eligibility expenses.

Additionally, increasing SNAP participation will require the Department to improve its overall focus on SNAP access, including conducting and coordinating SNAP outreach efforts to increase access and combat food insecurity for eligible populations, including families with children.

Anticipated Outcomes:

The State’s Blueprint to End Hunger, launched in 2018, highlights the significance of expanding coordinated outreach services within Colorado. Increasing SNAP participation among needy Coloradans would potentially increase the opportunity for federal incentives which would be spent by the counties to improve their programs and develop new processes which help reduce hunger in their communities. SNAP

outreach is a cumulative process. Increasing Coloradans' access to food assistance by 5.5% each year would mean 10,000 vulnerable households (approximately 22,000 Coloradans) have more adequate nutrition to improve their health and well-being by the end of FY 2021-22. Enrolling 10,000 households in SNAP could result in nearly \$61 million additional State economic activity, more than \$300 million in reduced Medicaid expenditures, and 13,500 children avoiding food insecurity annually.

In addition to the broad-reaching economic, health, and community outcomes related to improved food security, investing additional resources into SNAP will translate into the following key outcomes:

- 1) Resources to improve Colorado's program access performance and reduce food insecurity as a key component of Colorado's overall service delivery framework. Ultimately, this investment could result in Colorado accessing a share of \$12 million in annual federal incentive dollars for improved access to reinvest into SNAP programming.
- 2) Medicaid savings of \$50 for every \$1 invested in SNAP (University of Kentucky Center for Poverty Research).
- 3) SNAP benefits not only support healthier lives, but it also has very tangible economic benefits. SNAP supports local businesses like groceries and farms. Increasing access to food assistance by 5.5% would infuse more than \$85 million into the Colorado economy.

Research and Evidence-Based Policy (REP) Team Review

Based on the goals of increasing SNAP enrollment in rural and underserved areas, this request is focused on Steps 2 and 3 of the evidence continuum; identifying outputs and assessing outcomes. There is potential to look at pre and post outcomes, in addition to potentially comparing to similar areas in the state where outreach was not conducted, to help move the outreach program along the evidence continuum. There is some evidence from public health demonstrating that outreach efforts increase health insurance coverage¹, which could be comparable to this proposal.

Assumptions and Calculations:

The Department is requesting \$900,000 based on the current non-federal portion of the funding for partner agencies. Historically, in the absence of any State resources, outreach partners have been required to contribute 50% of the cost of services. In FY 2019-20, Colorado expects to invest nearly \$4 million in SNAP Outreach, including the investment required by the Department's outreach partners. By securing General Fund to provide a portion of the total cost required to conduct SNAP outreach (40%), this funding request will lessen the burden on partner agencies and elicit new interest among community agencies to conduct this important work, especially in underserved rural communities. Outreach partners will be required to bring 10% of the cost of conducting SNAP outreach to the table. Together, the General Fund and local funds will draw-down a corresponding federal match.

¹ Relevant research accessed through the "What Works for Health" Database at <http://www.countyhealthrankings.org/take-action-to-improve-health/what-works-for-health/policies/health-insurance-enrollment-outreach-support>

The Department is awaiting a pending legal opinion from the Attorney General’s (AG) office per H.B. 10-1022, specifically regarding the allowance of General Fund dollars for SNAP outreach. If that AG opinion suggests that only private and federal funds can be used for SNAP outreach in Colorado, the Department will seek statute change to expand the fund sources. There is no federal restriction on the use of State funds for SNAP outreach.

Table 2: Fund sources/amounts				
	Total Funds	General Fund	Local funds	Federal Funds
Direct Outreach	\$ 1,000,000	\$ 400,000	\$ 100,000	\$ 500,000
Contract Staff	\$ 130,000	\$ 65,000		\$ 65,000
Total	\$ 1,130,000	\$ 465,000	\$ 100,000	\$ 565,000

The critical component of this request will be to contract with and otherwise support the community partners able and willing (including being able to provide the requisite match to the State funds received) to provide outreach services, including application assistance, in underserved Colorado rural communities.

Table 3 illustrates the Long Bill appropriation and requested funding for FY 2019-20 through FY 2021-22.

Table 3: Long Bill Appropriation and Requested Funding for FY 2019-20 Through FY 2021-22										
Supplemental Nutrition Assistance Program Administration	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	Medicaid Total Funds	Medicaid General Fund	Medicaid Federal Funds	FTE	Notes
FY 2018-19 Appropriation (HB 18-1322)	\$1,787,420	\$895,153	\$0	\$0	\$892,267	\$0	\$0	\$0	0.0	Enter FY 2018-19 Appropriation Amount
Requested Funding (or Spending Authority)	\$1,030,000	\$465,000	\$0	\$0	\$565,000	\$0	\$0	\$0	0.0	50/50 GF/SNAP Split
FY 2019-20 Total Requested Appropriation	\$2,817,420	\$1,360,153	\$0	\$0	\$1,457,267	\$0	\$0	\$0	0.0	
FY 2020-21 Annualization of Prior Year Funding	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0.0	
FY 2020-21 Total Requested Appropriation	\$2,817,420	\$1,360,153	\$0	\$0	\$1,457,267	\$0	\$0	\$0	0.0	
FY 2021-2022 Total Requested Appropriation	\$2,817,420	\$1,360,153	\$0	\$0	\$1,457,267	\$0	\$0	\$0	0.0	

Implementation Plan:

Table 4 provides the initial 2-year implementation timeline for the outreach efforts.

Table 4: Implementation Plan to Improve Nutrition in Rural and Underserved Counties								
DESCRIPTION	FY 2019-20				FY 2020-21			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Convene stakeholders; define goals, program elements and framework	X							
Draft and release SNAP Outreach RFP	X	X						
Select program partners and negotiate contracts		X						
Enroll eligible clients in SNAP			X	X	X	X	X	X
Track progress			X	X	X	X	X	X
Monitor partners’ performance				X	X	X	X	X
Fiscal oversight	X	X	X	X	X	X	X	X
Closeout – fiscal year-end				X				X
Work with outreach partners to identify and implement			X	X	X	X	X	X

best practices								
Technical assistance to outreach partners			X	X	X	X	X	X