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CALFRESH CHURN: WHAT IS IT, AND HOW DO WE FIX IT?

ANALYSIS FROM SAN FRANCISCO AND MARIN



The role of CalFresh in reducing hunger:

CalFresh is a cornerstone of our food safety net here in California: almost 4.5 million people participate in CalFresh statewide, and the program brings in \$7 billion in federal dollars every year, spurring over \$12 billion of economic activity.¹ The social, economic, and long-term positive impacts of the program for the households that participate are well documented.²

Despite the program's proven success in reducing hunger, California suffers from a low CalFresh participation rate – the number of people participating compared to the number of people who are likely eligible. Our state ranks 45th in this measure, with a 60% participation rate.³ In other words, 3 out of 10 people who are eligible are not participating in the program.⁴

Statewide, more than a third of people who are eligible for CalFresh are not participating in the program.

Statewide data suggests that a big opportunity for increasing CalFresh participation lies in streamlining and simplifying the semi-annual and annual renewal process, so that recipients do not stop receiving benefits for administrative reasons. We refer to this problem as 'churn' – and in this paper we describe the problem in more detail, what the costs of churn are, and recommendations for how we can reduce churn.

What is CalFresh churn?

In its simplest definition, churn is when an eligible recipient unexpectedly loses CalFresh benefits, usually because of missed reporting requirements, only to re-enroll within one to three months.

In order to stay on benefits, CalFresh households must report eligibility information periodically. At six months after initial application, participants must notify the county of any household circumstances that have changed through a semi-annual report; at one year, they must complete a recertification process, in which all household information is re-submitted and an interview is conducted.⁵ The idea is that household circumstances sometimes change, and having a regularly scheduled time when participants submit documents and verifications ensures their status with CalFresh remains accurate.

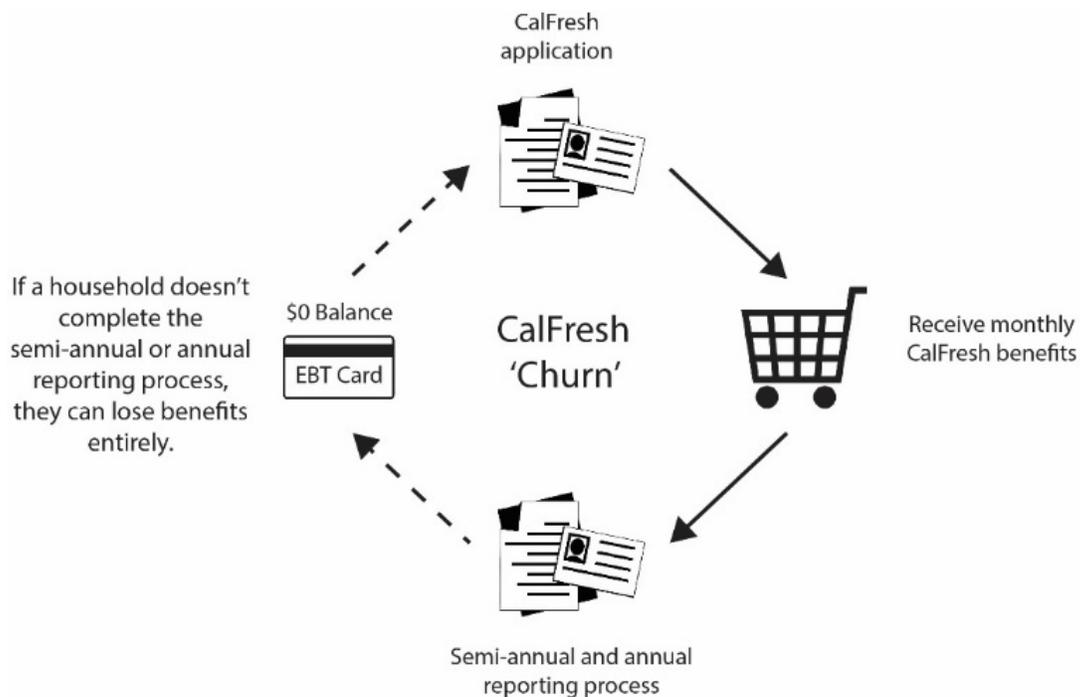
¹ DFA 256 Report, August 2016: <http://www.dss.cahwnet.gov/research/PG352.htm>

² Long Term Benefits of the Supplemental Nutrition Assistance Program: http://www.hwcli.com/wp-content/uploads/2015/12/SNAP_report_final_.pdf

³ Calculating the Supplemental Nutrition Assistance Program (SNAP) Program Access Index: A Step-By-Step Guide: <https://www.fns.usda.gov/sites/default/files/ops/PAI2015.pdf>

⁴ The California Department of Social Services has developed a Program Reach Index (PRI) for CalFresh which also accounts for the estimated number of low income undocumented individuals who are ineligible for CalFresh. In 2015, the PRI for California was 70%: <http://www.cdss.ca.gov/research/PG3575.htm>

⁵ The form used for the semi-annual report is called the "SAR7," the recertification is called a "RRR."



But in practice, many households suddenly find themselves with an empty EBT card, unable to buy groceries. Imagine standing at a grocery check-out counter, only to find that your debit card unexpectedly had a \$0 balance. That’s what churn feels like for CalFresh recipients who find themselves in this position.

An interruption in CalFresh benefits, even for a month, can have real, damaging consequences for a family that is living on the edge of financial stability. For example, a household with the average CalFresh benefit of \$304 per month would lose about 100 meals during the month if benefits were interrupted.⁶

Why does CalFresh churn happen?

As noted above, CalFresh recipients have to complete two regular reported in order to remain on benefits: the semi-annual report and the annual recertification. Here we will focus on the recertification process to illustrate the reasons that churn happens.

We have all experienced the chore of renewing annual memberships or subscriptions. Sometimes it’s easy: you get a reminder email, you log in and update your account, and you receive confirmation that everything is settled.

⁶ CalFresh Household Profile: <http://www.calfresh.ca.gov/PG844.htm>. Feeding America’s SNAP Impact Calculator estimates that one dollar equals 0.334 meals.

But sometimes it's not: an inconspicuous notice gets buried in the mail, or the turnaround is tight and you have to hunt for the necessary documents. Sometimes the notice is incomprehensible, and you don't realize that you're about to lose services. Maybe you tried to call, but customer service is only open when you're at work, or the length of the call queue is interminable. Before you know it, the deadline has passed, and you've lapsed.

Unfortunately for CalFresh recipients, the program's reporting recertification requirements are a recipe for churn. To recertify every year, a CalFresh recipient must (1) complete and mail a paper form to the county office; (2) re-submit documents verifying household income and expenses and any changed circumstances; and (3) complete an interview with a county worker.

A typical recertification experience goes something like this:⁷

- One paper notice is sent **by postal mail**, alerting the client that their recertification is due. (Email is not an option, even though everyone – even security-minded banks and health care providers – uses email because it's more reliable and efficient.)
- The notice is written in **bureaucratic language** that is at best confusing and at worst, nonsensical. Sometimes the notice is sent in the wrong language.
- In this notice, the county **assigns a mandatory interview date and time** without any input from the client. Unsurprisingly, the time often does not work with participants' schedules; most CalFresh recipients work, and the office is not open outside regular business hours. (Imagine your next doctor's appointment being assigned to you by the doctor's office, without consideration of your schedule.)
- Sometimes the **interview date has already passed** by the time a notice is received.
- If any of this is unclear or the assigned interview time requires a change, participants may have to start a **long game of phone tag**, during which time their benefits expire.
- Further, if a client's address changed in the last year, or if mail delivery is unreliable, **participants may not receive any notices in the mail at all** – in which case, they discover they have lost benefits while trying to buy food.⁸



⁷ Deep research in Contra Costa County found that all of these problems and more combine to create churn. 'Using Data to Address and Diagnose Churn' (August, 2016) PowerPoint presentation given to the CalFresh Learning Collaborative: <http://calfreshlearningcollaborative.org/wp-content/uploads/2016/10/webinar-8252016.pdf>

⁸ Icon created by Jessica Lock from the Noun Project

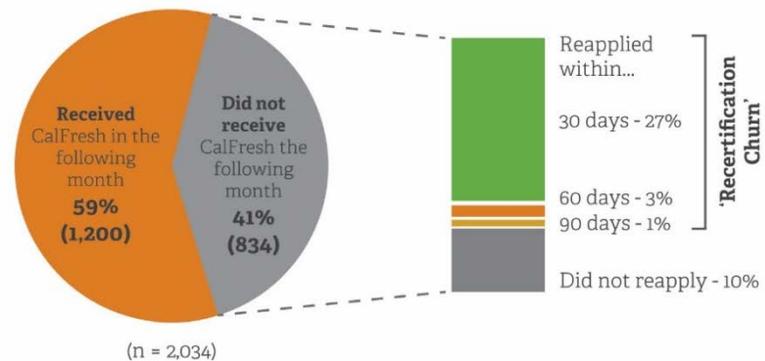
How widespread is the problem? What's the cost?

Collectively, CalFresh recipients are losing out on thousands of dollars of food assistance because of churn: in our service areas, San Francisco and Marin, we estimate that upwards of \$96,503 in CalFresh dollars are lost by participants each month due to recertification churn.⁹ In a year, that's \$1.16 million in lost CalFresh dollars. When we look at the potential impact on our local economy, the number is even greater – \$2 million in lost economic activity over the course of a year.¹⁰

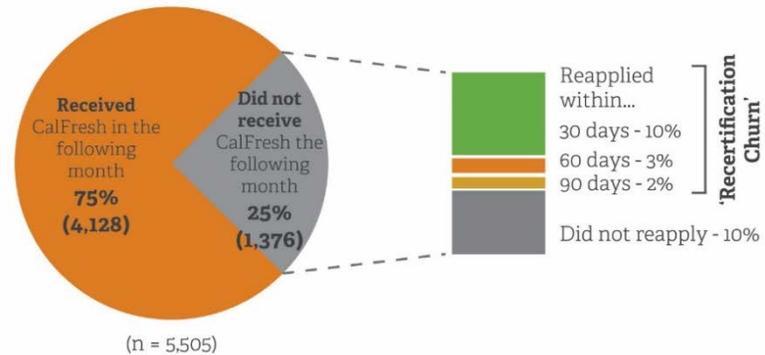
Statewide, one in five CalFresh applications received is from someone who was on CalFresh in the last 90 days¹¹, and the administrative costs of recertification can be anywhere from 1/2 to 1/3 the costs of processing an initial application.¹² So even if it takes only 5 minutes more to complete the new application compared to processing the recertification for those that reapply within 30 days, the added workload would be 100 hours per month in San Francisco and Marin.¹³

In San Francisco County, 25% of people with an annual recertification due fail to complete it and do not receive benefits the next month. In Marin County, that number is much higher, at 41%.¹⁴

Marin: There were **2,034 CalFresh cases** with recertifications due in Jan-Mar 2015



San Francisco: There were **5,505 CalFresh cases** with recertification due in Jan - Mar 2015



⁹ These estimates assume that each household that did not receive benefits in the month following their recertification but then reapplied within 30 days lost a month's worth of CalFresh benefits at the average benefit level for that county. Those that reapplied in 60 or 90 days are not included in this calculation.

¹⁰ California Food Policy Advocates, 'Lost Dollars, Empty Plates' (2014)
<http://cfpa.net/CalFresh/CFPAPublications/LDEP-FullReport-2016.pdf>

¹¹ CalFresh Program, CalFresh Data Dashboard, Churn Rates, CY2016 Q1 (January - March) Churn Statewide Summary Report: <http://www.cdsscounties.ca.gov/foodstamps/> (Herein referred to as 'CalFresh Data Dashboard')

¹² Page 98 of this report: <https://www.fns.usda.gov/sites/default/files/ops/SNAPChurning.pdf>

¹³ 'CalFresh Data Dashboard.' See data tables at the end of this report for estimates for other counties.

¹⁴ 'CalFresh Data Dashboard'

When counting the losses as missed meals, the numbers are even more alarming. Taking only those cases that reapplied within 30 days and calculating the loss of CalFresh benefits for them at the average benefit rate, San Francisco and Marin are missing out on about 32,000 meals per month. Over a year, that’s almost 400,000 meals.¹⁵

Two counties that appear to be doing a good job of keeping people continuously enrolled on CalFresh through their annual recertification process are Tulare and Fresno. In both counties, about 85% of households that have an annual recertification due are still receiving benefits the following month, compared to 59% and 75% in Marin and San Francisco respectively.¹⁶

Statewide, one in five CalFresh applications received is from someone who was on CalFresh in the last 90 days.

How do we fix the problem?

If you were going to create a renewal process for a service or subscription, how would you do it? What user-friendly features would you include to ensure that everyone could complete the process without lapsing and losing services?

Maybe you would use text and email reminders, instead of (or in addition to) snail mail. Even better, put it all online, where all subscribers have to do is indicate if anything has changed since their last renewal. In an ideal world, everything would be done over the phone or online at the subscriber’s convenience. Frankly, in the modern world, none of this is too much to expect.

Keeping this ideal in mind, we have identified some common-sense solutions. Below are our top recommendations – and the research to support them — to make renewal more modern and user-friendly. We recommend that the state of California and counties work together to implement them.

1. Modernize the process for interview scheduling:^{17,18}
 - **Allow clients to schedule their own interviews for times that work for them** – rather than the county assigning pre-determined interview times.
 - **Or, even better: offer ‘on-demand interviews’** so that clients can simply call the county phone number during regular business hours, and ask for an interview over the phone in that moment. This would eliminate scheduling challenges.



¹⁵ It is worth noting that benefits lost due to churn following semi-annual reporting are not captured here.

¹⁶ ‘CalFresh Data Dashboard’

¹⁷ ‘Modernizing the CalFresh User Experience,’ In Partnership With: University of California, Berkeley, Goldman School of Public Policy <https://s3-us-west-1.amazonaws.com/sfmfoodbank/wp-content/uploads/2016/10/03222116/FINAL-REPORT-Modernizing-the-CalFresh-User-Experience-6.14.2016-1.pdf>

¹⁸ Icons created by Edward Boatman, Chameleon Design, Omer Demisroy from the Noun Project.

2. Modernize communication methods between clients and the county:

- **Use text and email.** Use modern channels of communication to inform and remind clients about their upcoming recertification.¹⁹
- **Do it all over the phone.** Make it possible to “verbally sign” required documents over the phone, eliminating the need to send paperwork. Examples of this include using voice recognition technology to verify identity over the phone, and using a numeric PIN system.²⁰



3. Make it all user friendly and intuitive:

- **Simplify bureaucratic forms,** and make paperwork clear.²¹



At the end of the day, we know that what gets measured gets done. So, we took county-level churn data and analyzed it over time, to help us see where there are successes and where they may be trends: [Our Tableau visualizations of churn data by county.](#)²²

The State should be doing the same thing. The problem is, the state doesn't have the best data, and it has to rely on county-generated reports – with no way to verify or check their accuracy. At a minimum, the state should:²³



Collect monthly churn data reports from counties, that highlight certain important churn metrics. CDSS (California Department of Social Services) is developing the report format right now, and we have already made recommendations about what should be included: [‘Measuring Churn.’](#)



Collect the raw, full data set every quarter – not just a selective monthly report. In order to fix churn statewide, the state needs the raw data and the opportunity to analyze it on a deeper level.



Offer technical assistance to counties to implement and assess churn reduction strategies, starting with simplifying the interview scheduling system, modernizing how clients receive reminders, and implementing telephonic signatures.

If the State takes the lead on implementing modern solutions, and improves its collection and analysis of churn data, we know we'll move the needle on CalFresh churn.

¹⁹ 'Promptly: Simple Text Message, Clear Call to Action,' San Francisco Human Service Agency, http://www.cwda.org/sites/main/files/file-attachments/client-communication-sf_wertheim.pdf

²⁰ 'Telephonic Signatures in California Counties,' Alliance to Transform CalFresh, <http://transformcalfresh.org/wp-content/uploads/2016/05/Telephonic-Signature-in-California-Counties-Survey-Results-2016-1.pdf>

²¹ 'Social and Behavioral Sciences Team of the Executive Office of the President, 2016 Annual Report,' <https://sbst.gov/download/2016%20SBST%20Annual%20Report.pdf>

²² 'CalFresh Churn Reports,' SF-Marin Food Bank, <http://public.tableau.com/profile/diana.jensen#!/vizhome/ChurnReportStory111016/Introduction>

²³ Icons created by Aneeqe Ahmed, Pham Thi Dieu Linh, and Gregor Cresnar from Noun Project