

May 17, 2007

The Honorable Elaine Alquist, Chair  
Senate Budget Sub-Committee  
State Capitol  
Sacramento, CA 95814

Dear Senator Alquist:

Senate Budget Sub-committee # 3 has an open item under the budget for the California Department of Aging regarding funding of senior nutrition programs. The budget includes funds for both congregate and home-delivered meal programs and appropriates both General Revenue Fund monies and funds from the federal government.

Our organizations have been concerned about the deteriorating financial condition of nutrition programs around the state. As we reported in testimony before your committee earlier this year, skyrocketing fuel costs have

- Driven up the costs of fleet-delivered meals well beyond our budgets
- Driven away volunteers who can no longer absorb the high cost of gasoline
- Increased food costs as vendors have added fuel surcharge costs to bulk food deliveries.

In addition, we have been mandated by the minimum wage law to pay higher wages for our employees with no offsetting funding increases.

In March, the federal government increased its allocation for senior nutrition programs by 3.5% over current year funding.

We are writing to urge the Senate to pass through this federal fund increase to nutrition service providers rather than absorb it by making a cut in state matching funds or allowing it to be diverted for administrative costs at the state or local level.

We are also urging you to recommend that the state maintain its *current rate* of match and match these new federal dollars with General Revenue Fund dollars. If necessary, we would ask the Committee to recommend allocation of these state matching funds from any unspent nutrition funds from the current year.

These actions would not require any new General Revenue Fund spending in the upcoming budget year but would provide essential financial relief to local nutrition programs.

Over the next year we want to work with you, the Committee staff and the Department of Aging to develop longer term solutions for securing adequate funding for these essential services.

**This request for Committee action comes from CANDE as well as the California Elderly Nutrition Partnership, Gray Panthers, the Congress of California Seniors and the Older Women's League.**

We have attached a short background paper explaining some of these issues. If you and your staff have any questions about this urgent request, please contact me at (530) 662-7035 or [cbrock@mgci.com](mailto:cbrock@mgci.com).

Sincerely,

Colleen Brock, President

Cc: Senate Budget Sub-committee members

## **Policy Brief: Adequate Funding for Senior Nutrition Programs (May 2007)**

Every day nearly 180,000 seniors receive nutritious meals from caring, committed service providers. The recipients average over 75 years of age and most are women who live alone.

Across California, community-based groups are providing over 18 million meals to elderly, often frail people either through home delivery (Meals on Wheels) or at congregate meal locations, in group settings at senior/community centers. These non-profit organizations operate in every county in the state; working in densely populated urban settings as well as sparsely populated rural areas. They play a key role in fulfilling the state's commitment to assisting people to live at home as called for in the Olmstead US Supreme Court decision.

With California facing a rapidly growing senior population, most providers have been forced to cut costs and stretch funding to meet the growing need. Nutrition programs have been financially starved and are cutting services, adding to longer waiting lists and turning away more seniors. Government funding (both state and federal) has not kept pace with general inflation nor has it taken into account the rising food and other operational costs. Local community fundraising has been tapped out over the last five years by our funding-dependent nutrition programs. Fuel costs have skyrocketed, increasing the cost of food vendor deliveries and delivery fleet expenses for these service-providing organizations, as well as making it harder to retain volunteer drivers who must absorb the higher costs of gasoline. In many areas of the state, utility costs have risen over recent years as well. And now the non-profit meal providers are faced with California mandated minimum wage increases. Many are at the edge and are operating within a financial house of cards.

We recognize that the State of California continues to face a difficult financial situation. But we are also facing enormous senior population growth in the future and must find long term sustainable funding for nutrition programs. With that said, Congress has just allocated a 3.5% increase in federal funds to the states, in response to the dire financial needs of nutrition programs and the seniors we serve. We are asking the State to do its part by contributing state match dollars, for Title III CI & CII programs, at the same rate of allocation from 2006/07 into 2007/08. The intent is for local nutrition programs, those providing direct service, to benefit from the increased federal money, as intended by Congress. In 2006-2007, senior nutrition programs received \$71,462,111 in state and federal pass through funds (which equates to approximately \$3.86 per meal served in the state). These funds are highly leveraged with private & local funding. Even with considerable local assistance, however total funding is not enough, as actual costs are \$7-\$8 per meal.

**For 2007-2008, nutrition providers and senior advocates are urging the state to pass through all the increased federal allocation as Congress intended it, with continued state match money at an equal level to the 2006/07 state match amount.** This will allow us to maintain programs while keeping up with inflation and other uncontrollable expenses (i.e. gas prices), enhance statewide nutrition program services, allow frail, elderly seniors to stay healthy while living at home, and help us begin to prepare for the population increase on the horizon.