



Hunger Prevention and Nutrition Assistance Program 2023 Annual Assessment Report

Introduction

Pursuant to the Chapter 101 of the laws of 2022, on or before the first day of December each year, the Commissioner of Health shall annually assess changing economic indicators impacting service levels within the Hunger Prevention and Nutrition Assistance Program (HPNAP) in all regions of the state. Such assessment may include, but not be limited to, the average cost per meal, personnel costs, transportation costs, fuel costs, and storage capacity. The commissioner shall provide a summary of findings to the governor and the legislature to inform funding levels for the HPNAP. This report, based on 2023 information, is the second report following the passage of the legislation.

Report Background

The HPNAP provides emergency food relief and nutrition services to food insecure populations in New York State. Approximately 400 million emergency meals are now provided annually through a network of more than 2,700 NYS Emergency Food Providers (EFP) (e.g., food pantries, soup kitchens, and shelters). The HPNAP directly funds 44 organizations that include the 10 Regional Food Banks (RFBs) and 34 direct service providers that support the 2,700 EFPs. Since 2019, New York State has experienced a significant increase in the demand for emergency food, which has resulted in RFBs needing to increase the amount of emergency food being made available to the entire emergency food network.

Survey Methods

In August 2023, the HPNAP deployed an electronic survey to the ten RFBs to assess the economic impact on food assistance costs to inform the State on funding needs for the HPNAP. RFB staff completing the survey were senior-level executives within their organization, with most having responsibilities directly related to the organization's financial decisions. Nine out of the ten responses are based on estimated or actual expenditure records and calculations, while one response is based on staff knowledge or impressions.

Findings

Cost increases of up to 10% annually are generally anticipated and considered within normal operation parameters considering Cost of Living Adjustments (COLA) and Consumer Price Index (CPI) information associated with known expenses that these emergency food providers maintain each year. Cost increase findings that exceed 10% are generally considered more

remarkable and outside of normal operation parameters and are highlighted below for this report.

Important to note is that the expenses outlined in the chart below differ by each food bank. Therefore, we include “not applicable” as an answer choice.

Below you will see a series of tables outlining survey responses. Table 1 includes individual expenses that are necessary to meet the needs of the food pantries, emergency shelters, and soup kitchens they support across the state. Expense increases most likely to exceed 10% include consultant services cost (83%), food transportation and fuel costs (60%), and facilities maintenance costs (63%).

Table 1: Specific program cost needs of the ten regional foodbanks.

	Normal Cost Increase (<10%)	11-20%	21-30%	31-40%	41-50%	>51%	N/A	% Reporting Cost Increase >10%
Food Cost	5	3	1	-	-	-	1	44%
Personnel Cost	6	3	1	-	-	-	-	40%
Consultant Services Cost	1	2	-	1	1	1	4	83%
Truck or Vehicle Purchases Cost	4	2	-	1	-	-	3	43%
Food Transportation Fuel Cost	4	3	-	1	2	-	-	60%
Food Transportation Contract Cost	4	1	-	-	-	2	3	43%
Food Transportation Vehicle Maintenance and Repair Cost	6	3	1	-	-	-	-	40%
Food Cold Storage, Shelving and Handling Equipment Cost	4	2	1	-	-	-	3	43%
Food Cold Storage, Shelving and Handling Equipment Maintenance and Repair Cost	5	2	1	-	-	-	2	38%
Warehouse and Office Space Cost	3	2	-	-	-	1	4	50%
Operation's Materials and Supplies Cost	6	4	-	-	-	-	-	40%
Facilities Maintenance Cost	3	4	1	-	-	-	2	63%

In addition to specific costs, we asked the RFBs to report any expected increases in their overall cost and requests for food assistance.

Next, the survey asked about changes in the needs of RFBs to address new and unmet need, including amount of food (pounds), increase in demand for services, maintenance of current services, and new and unmet needs for services.

Nine of the ten food banks (90%) indicated they would need more than a 10% increase in funding to address new and unmet need.

Table 2: Current, new, and unmet needs in 2024.

	Normal Increase (<10%)	11-20%	21-30%	31-40%	41-50%	>51%	N/A	% Reporting Needs Increase >10%
Anticipated increase in pounds of emergency food or the number of meals your organization provides	7	1	1	-	-	-	1	22%
Anticipated INCREASE IN DEMAND for emergency food	2	4	1	2	-	-	1	78%
Increase in funding needed to MAINTAIN the same services established in 2023	3	2	3	-	1	1	-	70%
Increase in funding needed to address NEW and UNMET need in 2024	1	3	2	-	1	3	-	90%

The responses outlined in Table 2 align with the immediate and annual funding increase proposed by the food banks.

The current HPNAP annual appropriated funding level is approximately \$34.5 million. Food banks were asked to estimate the total HPNAP funding that would be needed to address current and unmet need in 2024. Eight (8) of 10 foodbanks indicated an increased level of funding would be needed for 2024. Their responses are found in table 3.

Table 3: Food bank estimate of statewide HPNAP funding needs.

Funding amount	Number of Food Banks
\$35.1 - \$45 million.	1
\$45.1 - \$55 million.	1
\$65.1 - \$75 million.	3
More than \$75 million.	3

If funding was increased to this level, all 10 food banks also identified an ongoing need for an *annual increase* to HPNAP funding of 5.1% - 15% to ensure they can continue to adequately address increasing costs.

- In August 2023, the US inflation rate was 3.2%.
- The proposed increased funding rate is 2.5-3 times the current rate of inflation.
- The proposed increased funding rate is above the historic 2021 and 2022 inflation rates of 7% and 6.5%, respectively.

Limitations

Needs and cost estimates represent a point-in-time assessment and may not reflect the actual and unforeseen needs experienced in calendar year 2024 due, for example, to the dynamic macroeconomic climate (e.g., food, fuel, and operations cost increases), equipment failures, or increased demand and inflation.

If you have any questions, please contact the Hunger Prevention and Nutrition Assistance Program at 518-402-7333 or HPNAP@health.ny.gov.