## Focus On: The Preliminary Budget

March 2021

## New York City Delivers on Covid Emergency Food Budget

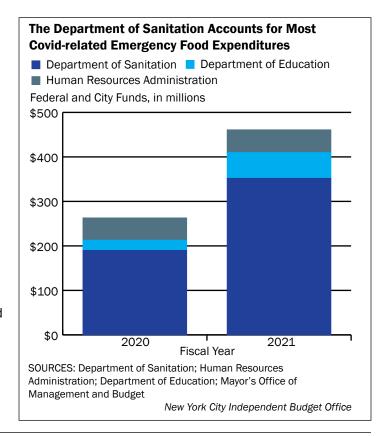
The Covid-19 crisis has upended the lives of many New Yorkers, not only disrupting the economic and social fabric of the city through social distancing measures and shutdowns, but also limiting access to food and sources of support. When schools switched to remote learning last year, parents wondered whether their children would still receive school lunch, other programs that may have included a snack or a meal were cancelled, and even shopping indoors at a grocery store became risky for vulnerable populations due to the potential for infection. In addition to the loss of formerly available sources of support, many New Yorkers lost their jobs, saw their incomes drop as economic activity ground to a halt or simply got sick and were unable to meet dietary needs in the same way they had before the crisis.

The impact on food needs in the city were on the scale of a natural disaster, and accordingly, the city tapped Federal Emergency Management Agency (FEMA) and Coronavirus Aid, Relief, and Economic Security (CARES) Act money to supplement city-funded efforts as food insecurity grew with the pandemic. The result has been an ad hoc mix of funding run through the Department of Sanitation (DSNY), Human Resources Administration (HRA), and Department of Education (DOE). In total, since the beginning of the pandemic, the city has budgeted \$725 million for emergency food assistance, with federal funds accounting for \$478 million and the remaining \$247 million in city funds.

## **Department of Sanitation Coordinates Food Distribution.**

At the start of the crisis, Mayor de Blasio appointed then-Sanitation Commissioner Kathryn Garcia as the city's "Food Czar," in charge of managing Covid-related emergency food distribution. (Garcia has since left city employment). Placing management of the food distribution system within DSNY allowed Commissioner Garcia to leverage the department's logistics, purchasing, and contracting staff to begin distributing food as quickly as possible. This meant that much of the food budget would flow through the department, despite the lack of any historical connection between the Department of Sanitation and food distribution. DSNY's involvement goes beyond money flow, however. The department manages the logistics of food deliveries to city residents, coordinating action by both city agencies and outside vendors. DSNY is also the primary procurement manager for all food programs, manages reception and triaging of food deliveries, as well as oversees distribution to families.

DSNY received \$190 million in federal funds for food relief, including funding supporting food pantries, delivery, and





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associated support costs for 2020. (All years refer to city fiscal years.) In the current year, DSNY has received an additional \$188 million from the federal government while the city has appropriated \$165 million for emergency food programs. The federal government has supplied the bulk of the funding so far and IBO expects the share of federal funds to grow further. In January, the city learned that FEMA reimbursements will go from 75 percent—FEMA's standard reimbursement rate—to 100 percent reimbursement of eligible pandemic-related costs, retroactive to the start of the pandemic. FEMA has not yet released the implementation guidance, but the city could realize substantial savings in future budgets from retroactive reimbursements and an increased federal share of current and future costs.

Mass Feeding Contracts. Around \$50 million has been allocated annually in 2020 and 2021 for emergency food assistance in the HRA budget. Almost all of it was from federal FEMA and CARES Act funding, with only \$2 million from city funds. HRA is funding 500 soup kitchens and food pantries through the Emergency Food Assistance Program as well as managing and distributing food reserves. Early in the pandemic HRA also activated emergency contracts for GetFoodNYC home delivery, which provides food to New Yorkers who cannot go out to get food and cannot afford private delivery options; funding of the GetFoodNYC program was transferred to DSNY after a few months.

## **Department of Education Redirects Schools Meals.** DOE has received the smallest allocation of emergency

**Human Resources Administration Activates Emergency** 

Covid-19 food assistance funds, with \$23 million in city funds in 2020 and \$58 million in federal funding in 2021 leveraging the education department's robust preexisting infrastructure for providing meals. Throughout the pandemic, DOE has continued to provide lunches for students—including those learning remotely—and for adults, providing around half a million meals on a daily basis. Since the pandemic began, meals have been provided under the Summer Meals program since it allows for more delivery flexibility, such as the Grab & Go option or home delivery. In early April 2020, the city extended meals to all adults at the Grab & Go sites. Once schools reopened in the fall, all adults can still pick up meals after school hours. However, only meals served to students are reimbursed under the federal Department of Agriculture's school food program, meaning that the roughly 40 percent of DOE meals that are provided to adults are funded by the \$58 million in Covidspecific federal funding they received in 2021.

Separate from the direct provision of meals through DOE, all public school students in New York City were automatically entitled to Pandemic Electronic Benefits Transfer (P-EBT) through the federal Families First Coronavirus Response Act of 2020. This was a direct payment of \$420 per student for food purchases to make up for missed breakfast and lunch meals from March through June 2020. Federal funds paid for the entirety of the program, which was administered by the state. With approval from the Department of Agriculture, additional P-EBT payments are expected for the 2020-2021 school year and will continue to help address issues of food insecurity.

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