

SANTA BARBARA COUNTY BOARD AGENDA LETTER



Clerk of the Board of Supervisors
105 E. Anapamu Street, Suite 407
Santa Barbara, CA 93101
(805) 568-2240

Agenda Number:
Prepared on: 7/21/05
Department Name: Social Services
Department No.: 044
Agenda Date: 8/2/05
Placement: Administrative
Estimate Time: 15 minutes
Continued Item: NO
If Yes, date from:

TO: Board of Supervisors

FROM: Kathy Gallagher
Director, Social Services

STAFF CONTACT: Edna Terrell, Deputy Director Social Services
681-4485

SUBJECT: Status Report on the General Relief Program

Recommendation(s):

That the Board of Supervisors:

Receive and accept the attached Status Report regarding the General Relief program and expenditures.

Alignment with Board Strategic Plan:

The recommendation(s) are primarily aligned with Goal No. 4. A Community that is Economically Vital and Sustainable.

Executive Summary and Discussion:

The General Relief program is state-mandated, but funded and administered by the county. General Relief program standards were modified October 2004 and February 2005 in an effort to mitigate a potential budget shortfall, slow caseload growth and bring our program into alignment with other counties.

The Department of Social Services has completed a review of the program, current caseload, expenditures, and trends in the General Relief program. The review indicates that while our General Relief average monthly caseload of 492 cases is well below our prior year average of 628 paid cases it is premature to project a sustained caseload at this level due to the continued high number of new applicants and unknown number of discontinued employable recipients who may reapply and become eligible under another status. Our number of monthly applications continue at last year's rate of over 300 applications per month. Costs per case are at a multi-year low of \$188, as compared to average monthly costs in FY 03/04 of \$239. The training of staff, intense program support to the units, program changes related to vendor payment and the time limit for aid to "employable" recipients have all had a moderating influence on GR case totals and costs per case.

Program changes have mitigated caseload growth; however, we have the 9th highest caseload in the state. Neighboring counties of San Luis Obispo, Kern, and Ventura continue to have caseloads in the significantly lower range of 140-150 cases. Counties have achieved sustained lower caseloads by investing more resources in the administration of the program. We will be redirecting some of our savings in aid payments to increasing staff for case

management activities and SSI Outreach, establishing employment service opportunities, and potential contracts with our community shelters to provide employment services. We expect to achieve this within our recommended FY 05/06 Budget. While it does not appear that program changes have increased our numbers of homeless recipients, we will continue to monitor this closely.

We will continue to monitor the program expenditures, the program, and its impacts to our communities while striving to continue to serve those in need with a program that is appropriate and reasonable for our General Relief population.

The attached Status Report is presented for Board consideration.

Mandates and Service Levels: W&I Code Section 17000 et. seq and Santa Barbara County General Relief Program Manual

Fiscal and Facilities Impacts: There is no fiscal or facility impact incurred by receiving this status report.

Special Instructions: none

Concurrence: None required

General Relief Program Status Report

August 2005

The General Relief program experienced unanticipated and sustained caseload increases in FY 03/04. In an effort to mitigate a potential budget shortfall, galloping caseload growth, and to bring our program into alignment with other counties, new General Relief program standards were implemented in October 2004 and February 2005. This status report includes an overview of the caseload and an update for your Board on the General Relief program.

GENERAL RELIEF RECENT HISTORY

During the years 1998 through 2002 the General Relief program was a very stable and consistent program. Historically, the General Relief program has been economically sensitive; as unemployment figures drop there is usually a drop in the General Relief caseload as employable clients obtain work. Although Santa Barbara County's Unemployment Rate was one of the lowest in the state in FY 03/04, we did not see a drop in caseload or applications. Applications were 17% higher than the prior fiscal year and average paid cases jumped 18.64% over the prior year. Neighboring counties and benchmark counties were not experiencing similar rates of growth in caseload. A survey of these counties revealed that most had adopted regulatory options in the areas of vendor payment, shared housing reductions and time limits on aid for employable recipients. After considerable study in 2004, the department recommended regulation changes to slow caseload growth, bring our program into alignment with other counties, and mitigate a potential budget shortfall.

In August 2004 the following regulations were adopted, effective October 2004. Amendments were made to each of these regulations in December 2004.

1. Regulation 90-301.11(a) through (d) prohibits an employable recipient from receiving general relief assistance for more than three months in a twelve month period. This regulation was amended December 14, 2005 to extend the implementation to February 1, 2005.
2. Regulation 90-500.2 establishing that if the single applicant/recipient shares housing with unrelated persons or with persons who are not legally responsible for the applicant/recipient, maximum aid payment levels are reduced by 15% if sharing with one; 20% sharing with two; 25% if sharing with three or more. This regulation was amended December 14, 2005 to exempt hotels that provide extremely low cost rooms to indigents who would otherwise be homeless, and to facilities that operate programs that are supported by County funds.
3. Regulation 90-501.2 states the portion of the payment for shelter/housing costs shall be made only by vendor payment. This regulation was amended December 14, 2005 to authorize the department to waive vendor payment when the landlord/leaseholder refuses to accept vendor payments from the department.

As a result of our study of the program, the department also provided an on-site Program Analyst as a program resource to the eligibility units April 2004 through July 2004. Training was conducted for staff during this period and followed up with a formalized training program in May 2005. In October 2004, your Board approved additional Eligibility Worker positions for the Food Stamp program. This has allowed Eligibility Workers to invest more time in the eligibility determinations and case management activities for persons who are applying for both General Relief and Food Stamps.

GENERAL RELIEF PROGRAM OVERVIEW

The General Relief program (GR) provides financial relief to the unemployed and incapacitated who are not eligible to assistance from any other source. The General Relief program is state-mandated, but funded and administered by the county. The program is intended to provide short-term assistance while the recipient seeks other means of support by finding employment or applying for and receiving Supplemental Social Security (SSI). General Relief is the safety net for the poorest of the poor residents of our county who have come to us as a last resort.

GR is an entitlement program to provide assistance to those who meet the eligibility requirements as set forth by local ordinance and regulation. Program services are available in all three geographic locations; Santa Barbara, Santa Maria and Lompoc.

The basic eligibility criteria and program design are mandated by Welfare and Institutions (W&I) Code Section 17000 et. seq. Over the years the GR program has been heavily litigated, which further defines allowable program requirements.

Santa Barbara County's current GR regulations, policies and eligibility and program requirements were adopted by the County Board of Supervisors in 2004. They are based upon the guidelines and legal restraints of W&I code 17000 et. seq. and associated court law. The program design took into consideration the community resources and fiscal restraints of the County.

The GR program in Santa Barbara County is run strictly as an eligibility program. An applicant is eligible if the applicant meets all eligibility factors outlined in the regulations and cooperates with all mandatory participation requirements. The focus of the program has been to provide cash assistance to the needy, keeping administration costs to a minimum. Eligibility workers who handle General Relief cases are assigned Food Stamp cases, as well.

Many GR recipients are potentially unable to work for a year or more due to disabling medical/mental conditions. The GR recipient, as a condition of eligibility, must sign a lien assigning retroactive benefits to the county. Two Social Workers are assigned to assist GR recipients in applying for SSI.

Employable GR recipients must work for the county in exchange for their grant in a program we refer to as "Work Project". An individual receiving the maximum grant is expected to work 44 hours per month (grant ÷ minimum wage). These individuals are insured under the county's self-funded Worker's Compensation plan. Work Project sites include the Salvation Army, Food Banks, Social Services Department, and County Parks Department.

Benefits to employable recipients are limited to no more than three months of assistance in a twelve month period. Months in which the recipient is aided as unemployable are not counted in the three month limit. A person's status as "unemployable" is verified by information from a medical doctor. State Statute requires that employment services be offered to those employable recipients who are limited to 3 months of assistance.

Persons with temporary disabilities that can be corrected or improved with treatment are required to obtain medical services, follow a treatment plan, and strive to become employable.

Persons with total permanent mental or physical conditions are expected to apply for and cooperate with the application for Supplemental Social Security (SSI/SSP) benefits.

The GR recipient also qualifies for assistance through the Federal Food Stamp program. Most individual recipients receive an additional \$149 in monthly Food Stamp benefits. They may also qualify for the County funded Medically Indigent Adult (MIA) program or Medi-Cal.

ASSISTANCE STANDARDS/METHOD OF PAYMENT

- MAXIMUM AID--one person =\$300 married couple = \$403
- If a recipient states (s)he has no shelter costs, \$209 is deducted from the maximum aid payment, leaving a grant of \$91 per month. If the recipient incurs shelter costs, the grant may be increased up to the maximum \$300.
 - If a recipient shares housing with unrelated persons who are not legally responsible for the applicant/recipient, maximum aid payment levels are reduced from 15%-25% depending numbers of persons sharing.
 - Residents of hotels that provide extremely low cost rooms to indigents who would otherwise be homeless and residents of facilities that operate programs supported by County funds are exempt from the shared housing reduction.
- General Relief benefits are issued through an Electronic Benefit Transfer (EBT) system. The Golden State Advantage EBT card contains account information on a magnetic strip similar to ATM cards used by bank customers. The recipient receives a secret Personal Identification Number or "PIN", to be used to get cash from an ATM or store.
- For recipients with shelter costs, shelter expenses are issued by vendor pay. Any remaining benefits are issued as cash to the recipient on his or her EBT card. If the landlord/leaseholder refuses to accept vendor payments from the department, all benefits are issued through EBT to the recipient.

CASELOAD STATISTICS, DEMOGRAPHICS AND IMPACTS OF REGULATION CHANGES

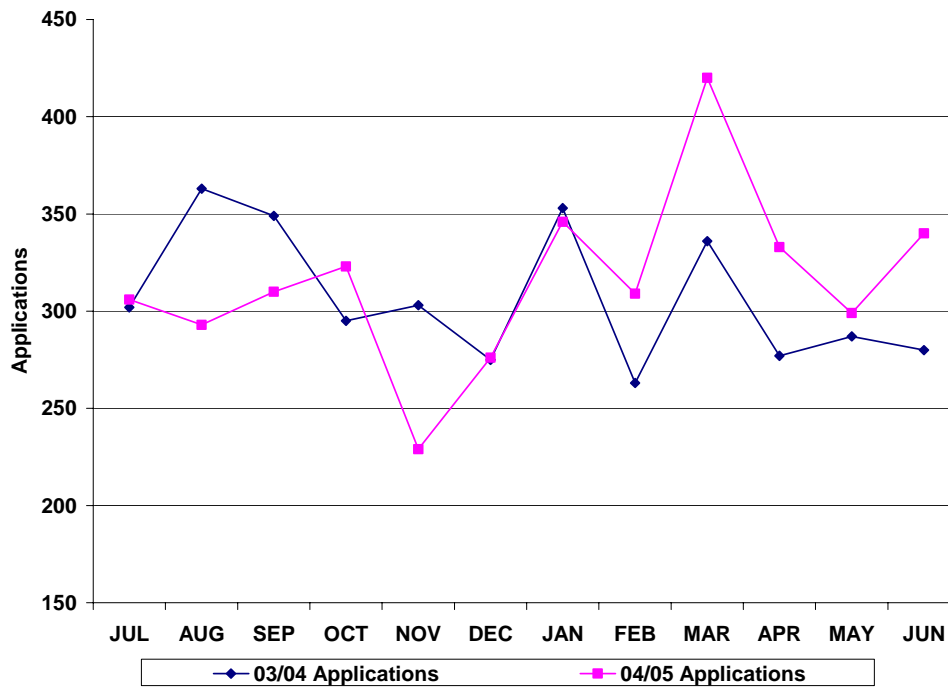
The General Relief average monthly caseload of 492 cases is well below our estimate of 720 cases. This is a 31.66% reduction from our budget estimates and a 21.65% reduction from the 628 average paid cases we experienced in FY 03/04. We believe it is premature to project a sustained caseload at this level due to the continued high number of new applicants and unknown number of employable recipients whose status may change and continue to receive benefits. We continue to receive over 300 new applications monthly. The training of staff, intense program support to the units, program changes related to vendor payment and the time limit for aid to “employable” recipients have all had a moderating influence on GR case totals. It is our belief that without the program changes adopted in 2004, the caseload would have continued to grow beyond last years rates.

- Vendor pay cases were altered so vendors are paid directly, rather than through the client. In June 2005 we issued vendor payments for 45.73% of our GR caseload.
- A GR “employable” can currently collect aid for no more than three months over a twelve month span. May 2005 was the first month in which employable GR recipients were discontinued due to this program change. Implementation of this new GR rule resulted in an initial discontinuance of 55 employable recipients in May 2005. The greatest number impacted lived in Santa Maria (30), with 13 discontinued in Lompoc and 12 discontinued in Santa Barbara. May’s caseload was a multi-year low of 347 cases. Since May, an additional 15 employable recipients have been discontinued, with 9 in Santa Maria, 5 in Santa Barbara and 1 in Lompoc. New applicants denied GR benefits due to this program change have totaled 5, all from North County. Employable recipients made up 31.2% of our June 2005 caseload. It is important to note that historically, able bodied employable individuals frequently move from the status of employable to temporarily incapacitated or permanently disabled. The people we discontinue may reapply anytime their employable status changes or at the beginning of a new 12-month period.

Persons with permanent mental or physical conditions now make up over 55% of our GR paid cases. These individuals must apply for and cooperate with the application for Supplemental Social Security benefits. We have continued with our SSI Advocacy Program to support and assist these individuals in the lengthy and often difficult process of applying for SSI; however, the 1.5 Social Workers assigned are stretched to capacity. Large caseloads and the geographic area they must cover make it difficult to provide the level of support these individuals need.

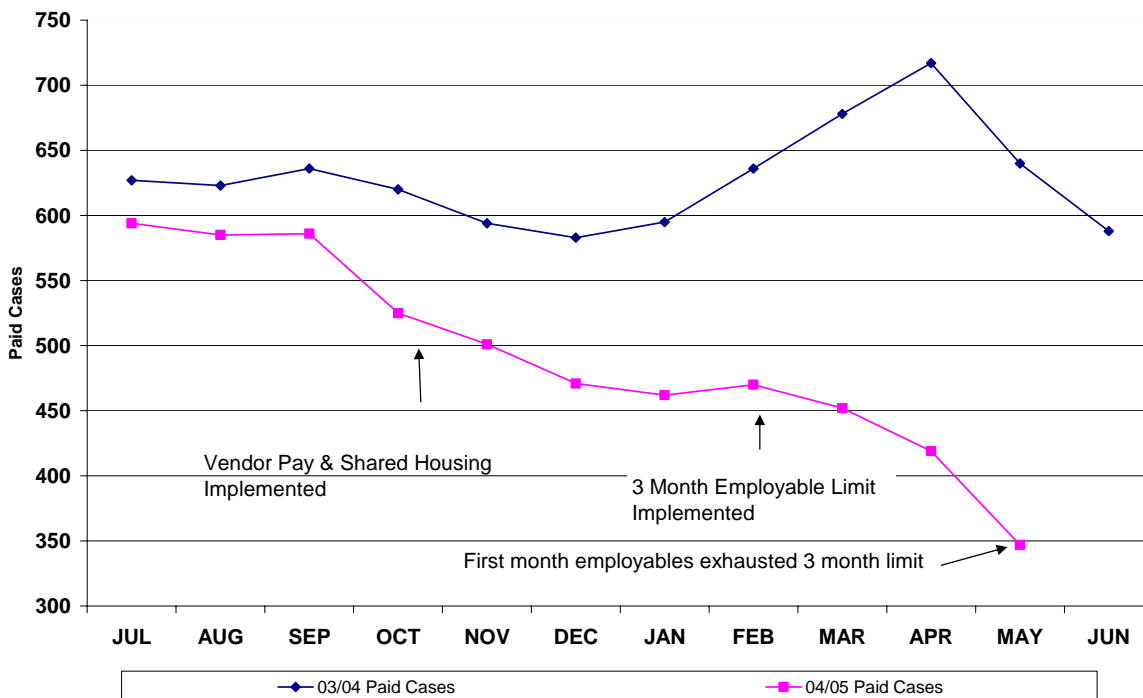
In June 2005, 13.4% of our GR recipients were unable to work due to temporary disabilities. A year ago nearly 28% of our GR recipients fell in this category. These individuals are required to obtain medical services, follow a treatment plan and strive to become employable.

General Relief Monthly Applications FY 03/04 & FY 04/05

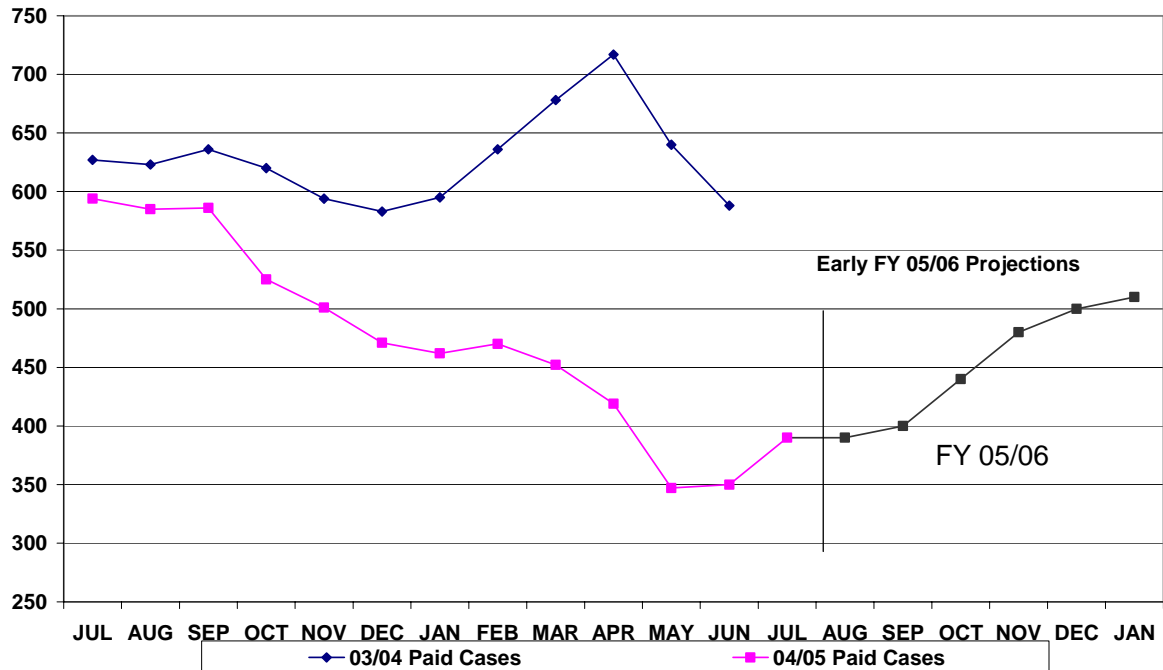


Average applications in FY 03/04 were 313 per month, with the highest number of applications received in March 2004. Applications in FY 04/05 have averaged 307 per month with a high of 363 in August 2004, and another high month in January 2005. Applications remain high in spite of our program changes.

General Relief Caseload FY 03/04 & FY 04/05



Projected Caseload into FY 05/06

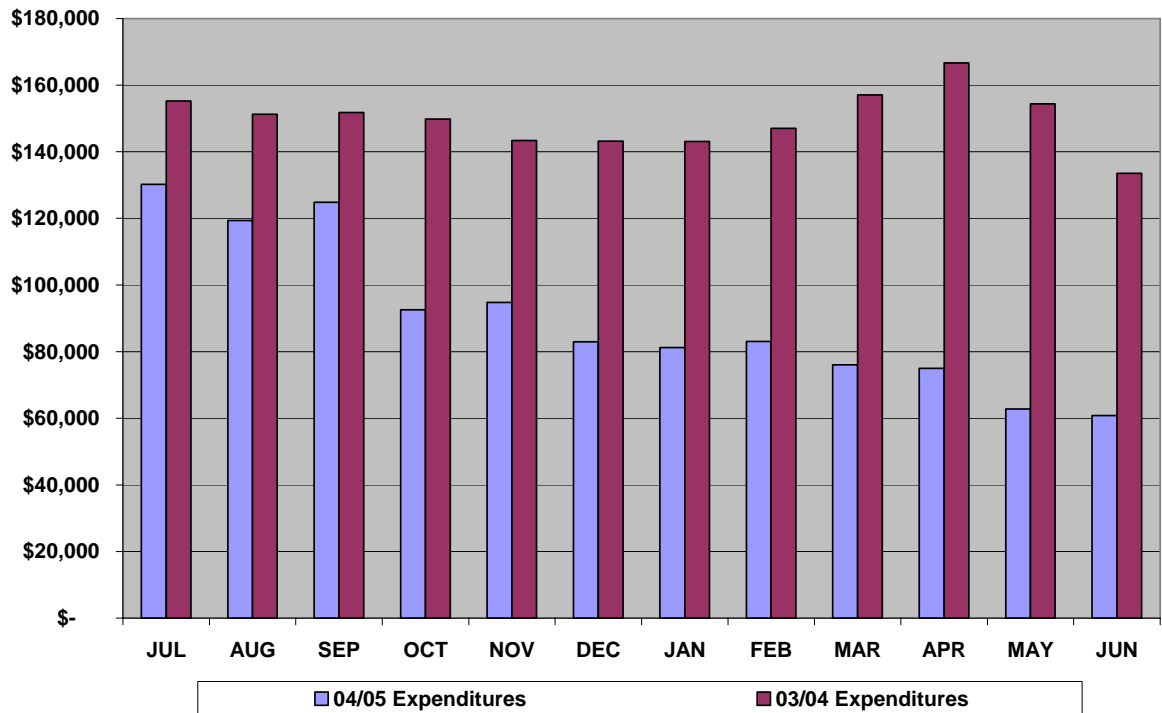


EXPENDITURES

Costs per case have also fallen during FY 04-05, with an average monthly cost per case of \$188 as compared to average monthly costs in FY 03/04 of \$239. May's average cost was \$181 per case. A number of factors have impacted cost per case:

- A concerted effort was put forth this year in training all General Relief staff and providing intense program support to the units.
- The shared housing deduction was implemented in October 2004. A survey of our June caseload revealed that this reduction in the maximum grant affected 28.9% of our Lompoc recipients, 11.8% of our Santa Barbara recipients and 34.3% of our Santa Maria recipients.
- Countywide, 30% of the GR population incurs no shelter costs. These recipients receive \$91 per month instead of the maximum grant because they report they do not incur shelter expenses. In Lompoc many of these individuals live with friends and family. In Santa Maria, most live with friends and family, with some living at a shelter or in their vehicle. In Santa Barbara, some live with friends; most homeless are staying at the shelter, camping, or sleeping in their vehicle. It does not appear that the numbers of GR recipients that are homeless have increased. In Lompoc the numbers of homeless recipients have ranged from 5-11, with the largest number in February. In Santa Maria GR homeless have ranged from 10-21, with February also the highest month. Santa Barbara homeless GR recipients have ranged from 34-50, with the highest incidence in March 2005.
- Implementation of vendor payment for the shelter portion of the grant resulted in updating all the facts pertaining to the case and in some cases resulted in a reconfiguration of benefits.

General Relief Monthly Aid Payment Expenditures FY 03/04 & FY 04/05



JUNE 2005 RECIPIENT DEMOGRAPHICS

Age

- 64% of Recipients are Male, average age 45
- 36% of Recipients are Female, average age 45

Ethnicity

- 1% Filipino
- 10% African American
- 33% Hispanic
- 56% Caucasian

Language

- 93.2% English Speaking
- 6.8% Spanish Speaking

CONCLUSION AND NEXT STEPS

Program changes have mitigated caseload growth; however, we have the 9th highest caseload in the state. In March 2005, our caseload of 452 cases was very close in size to the caseloads in Solano, Tulare and San Mateo counties. Neighboring counties of San Luis Obispo, Kern, and Ventura continue to have caseloads in the significantly lower range of 140-150 cases. Counties have achieved sustained lower caseloads by investing more resources in the

administration of the program. We have not dedicated these numbers of staff to the GR program. We will be redirecting some of our savings in aid payments to increasing staff for case management activities and SSI Outreach, establishing employment service opportunities, and potential contracts with our community shelters to provide employment services. We expect to achieve this within our recommended FY 05/06 Budget.

We will continue to monitor the program expenditures, the program, and its impacts to our communities while striving to continue to serve those in need with a program that is appropriate and reasonable for our General Relief population. While it does not appear that program changes have increased our numbers of homeless recipients, we will continue to monitor this closely.