



BOARD OF SUPERVISORS
AGENDA LETTER

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

Agenda Number:

Department Name: First District Office
Department No.:
For Agenda Of: 11/15/11
Placement: Departmental
Estimated Tme: 40 minutes
Continued Item: No
If Yes, date from:
Vote Required: 4/5

TO: Board of Supervisors

FROM: Board Member(s) Supervisor Salud Carbajal, (805) 568-2186
Contact Info: Eric Friedman, Staff Assistant, Supervisor Carbajal, (805) 568-2186

SUBJECT: County Poverty Initiative

County Counsel Concurrence

As to form: Yes

Other Concurrence: N/A

Auditor-Controller Concurrence

As to form: Yes

Recommended Actions:

That the Board of Supervisors:

- a) Receive a preliminary report on the status of poverty in Santa Barbara County and direct staff to support a coordinated, countywide, poverty impact assessment; and
- b) Allocate \$30,000 from General Fund Contingency to authorize the expenditure of \$30,000 in additional federal Social Services funds for a total expenditure of \$60,000 to hire a consultant to work with County staff and community partners, to complete the community assessment; and
- c) Direct staff to return to the Board in six months with a report that assesses community needs and recommends targeted priorities to support struggling Santa Barbara County individuals, children and families and reduce the effects of poverty in the community.

Summary Text:

In Santa Barbara County, almost 75,000 people, or 18.0% of residents are living below the federal poverty level (up from 11.9% in 2007). There are approximately 21,000 or 21.7% of the County's children living in poverty (up from 13.5% in 2007). The County's growing poverty rates reflect the impacts of a weak economy, the resulting Great Recession, a slow and prolonged recovery, and drastic cuts in health and human services programs at the State level. All of these factors have

disproportionately affected low income seniors, children and families leaving their “basic” needs of food, shelter, personal and financial security, health and welfare at risk of being unmet leading to food insecurity, diminished health and homelessness.

A recommendation is being made to the Board to direct staff to hire a consultant to work with County staff and community partners to launch a communitywide poverty impact assessment. The assessment will take a more in depth look into the causes of poverty in Santa Barbara County, evaluate family and high poverty areas, complete an assets and resource inventory and determine gaps in services. When complete, this assessment will provide recommendations on how the County, other government agencies, community based organizations and foundations can better partner to enhance our critical social safety net infrastructure and reduce the effects of poverty.

Background:

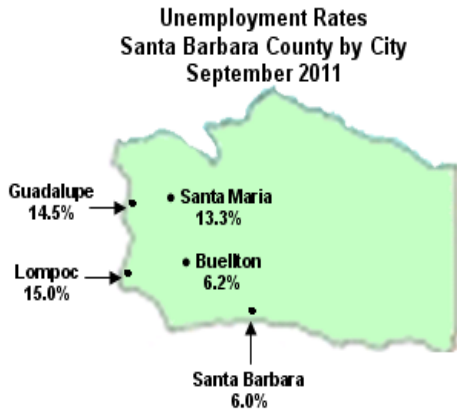
In the 1960’s, President Lyndon Johnson initiated the War on Poverty. At the time President Johnson stated “Our aim is not only to relieve the symptom of poverty, but to cure it and, above all, to prevent it.” Unfortunately, nearly a half-century later, poverty is on the rise in our nation, and as highlighted above, Santa Barbara County has not been spared. The Brookings Institute Center on Children and Families issued a report in September 2010, “*Stimulating the Effect of the Great Recession on Poverty,*” in which they project that the nation should expect more dramatic increases in poverty over the next several years. Santa Barbara County has an opportunity to change its poverty trajectory and help build more healthy and sustainable communities for County residents. This can be accomplished through the completion of a thorough community needs assessment and working collaboratively with other government agencies, and CBO’s to implement policies and strategies to enhance our shrinking social safety net infrastructure to support the most families, in the most effective and efficient way possible.

The federal poverty level (FPL) is the most commonly used indicator of the material well-being of low-income Americans. It compares an individual’s or a family’s income to the amount believed necessary to meet a minimum standard of living. It is also used as a threshold for eligibility for public assistance programs. The FPL is a “flawed” measure because it does not adjust for families living in areas like Santa Barbara County where the cost of living is high. Therefore, individuals in poverty, at the very bottom of the economic ladder are not the only ones struggling. For the first time in the history of the United States, the middle class is shrinking. The median family income in Santa Barbara County (\$66,848 in 2010) has decreased by 7% or \$5,148 per family since 2007. At the same time, the Insight Center for Community Economic Development reports the County’s self-sufficiency standard for a two-parent family raising two children is \$66,779, just \$70 below the median family income. The self-sufficiency standard shows what it costs for a family living in Santa Barbara County to make ends meet by factoring in “basic” needs such as housing, child care, food, health insurance, and transportation costs. Consequently, according to the self-sufficiency standard, Santa Barbara County families earning 300% of the federal poverty level are struggling to make ends meet and most do not qualify for County run assistance programs.

Seniors in Santa Barbara County are not fairing any better. The 2010 American Community Survey only identifies 7.1% of seniors living in poverty in the County. With fixed incomes and ever-increasing costs, UCLA’s Elder Index by County illustrates that Santa Barbara County seniors have a yearly income need based on living arrangements ranging from \$18,361 (owns home and mortgage is paid off) to \$48,402 (couple who owns home and has a mortgage). This means that seniors in Santa Barbara

County with sources of incomes equivalent to 170% to 354% of the Federal Poverty Level are struggling.

Santa Barbara County September Unemployment Rate = 8.6%
(Not seasonally adjusted)



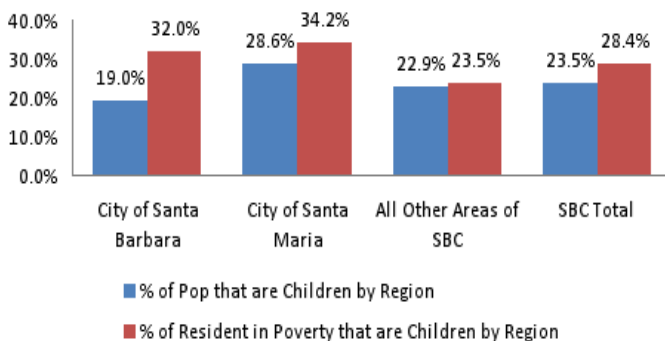
For those workers and their families who are getting by living paycheck to paycheck, with little to no assets to fall back on, the loss of a job, reduced hours and/or pay, or serious illness can plunge their families into poverty. Job loss has been the reality for the approximately 18,500 county residents who are unemployed in September and their impacted families (reflected in the adjacent unemployment chart). As the “Unemployment Rates Santa Barbara County by City” illustrates the Cities of Lompoc, Guadalupe and Santa Maria have been hit harder by the economic downturn.

All families need access to concrete supports such as food, clothing, healthcare and access to services that strengthen employment skills, provide access to educational opportunities, adequate transportation and

childcare to maintain self-sufficiency. Many of the struggling families who are under-employed or unemployed turn to government run safety net programs for help. Unfortunately, cumulative cuts to county-administered social services programs add up to a loss of approximately \$24 million in state and federal funds to Santa Barbara County social service clients since June 2001. These cuts have reduced grants for the eligible and made the rules to become eligible and maintain eligibility more restrictive. For example, the maximum CalWORKs grant for a family of four is currently at \$762 per month. This is equivalent to the CalWORKs payment received in 1987 for a similar size family, without adjusting for inflation. Considering the county’s self-sufficiency standard, considerable additional resources are needed outside of the public safety net. This has put extreme pressure on underfunded faith based and community based organizations to “catch” these resource-needy families. If the safety net, “public” or “non-public” cannot respond to the growing need to temporarily assist those in need until their economic conditions improve, more residents will continue to fall into poverty and those already experiencing the impacts of poverty will continue the downward plunge.

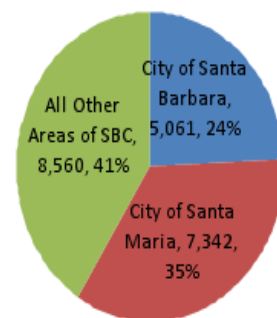
As depicted in the below charts, children in Santa Barbara County account for a disproportionately large share of Santa Barbara County residents living in poverty. While children were 23.5% of the County’s

Children Represent a Disproportionately Large Share of SBC Residents Living in Poverty



Source: 2010 American Community Survey

Number of Santa Barbara County Children Living in Poverty by Region



Source: 2010 American Community Survey

population in 2010, they accounted for more than 28.4% of residents with incomes below the federal poverty level. In the City of Santa Barbara, although children are only 19% of the population, 32% of city residents living in poverty are children. Santa Maria children are 28.6% of the total population and 34.2% of residents living in poverty.

Research shows us that the failure of the safety net to reach those in need results in material and emotional hardship impacting both those in poverty and the community at large. Residents without health insurance turn to emergency rooms, shifting the burden and cost of health care to local communities. Low-income residents may forego preventive or basic care, which increases the risk they will need more expensive care in the future. Hunger and malnutrition exacerbate chronic and acute diseases and speed the onset of degenerative diseases among the elderly, which affects their quality of life and increases the cost of caring for them. Children who are hungry or sick experience conditions that does not foster optimal learning, and they may fail to reach their full potential leading to an uneducated workforce who compromises future personal self-sufficiency and economic competitiveness. Children, the elderly and disabled adults are at greater risk of abuse when their parents or relatives are experiencing economic stressors.

Community Assessment

As the safety net continues to shrink, it is imperative that the remaining resources be utilized in the most cost effective and efficient manner possible while assisting as many low-income individuals and families as feasible. The root causes of poverty that are specific to Santa Barbara County residents by region need to be understood in order to design efficient measures tailored to the needs and strengths of persons living in poverty. Those in poverty have key constraints that they face and any effort aimed at reducing the effects of poverty and enhancing the lives of those affected require supports. Long-term efficacy and sustainability of any effort requires that those affected be involved in the process. As a result, the recommendation to hire a consultant to work with County staff and community partners to carry out a communitywide poverty assessment is the first step to developing strategies and policies that will make a difference.

Utilizing existing data collected by other county departments, CBO's, privately and federally funded agencies; this assessment will take a more in depth look into the causes and short and long-term impacts of poverty in Santa Barbara County. Below is a sample of some of the indicators to be captured in the assessment. However, it is not intended to be a complete list.

- Identify the geographic high poverty areas within the County, including child poverty;
- Obtain and analyze census data comparing life expectancy vs. poverty, mortality vs. poverty and other health indicators to determine if a correlations exist;
- Obtain and analyze census data comparing child poverty and infant mortality, low-birth weight, teen pregnancy, school absenteeism, school achievement, high-school drop out rates, and disconnected youth;
- To identify gaps, quantify the existing capacity of available resources (public and private) compared to community needs;
- Evaluate family and neighborhood resource needs in high poverty areas via an asset/resource inventory;

This should include an assessment of poverty characteristics in high pocket areas:

- Food and Nutrition Security (Food Stamp usage, Food Bank usage, school lunch program participation, access to stores that provide healthy and nutritious foods),
- Health and Healthcare (health status, health insurance coverage, health care utilization)
- Housing and utilities (housing status, number of occupants per house, foreclosure rates, utility shut-off)
- Education (highest level of attainment, drop-out and truancy rates, access to higher education)
- Employment (job status, access to training/re-training, unemployment insurance, full-time availability, good paying job, access to affordable child care)
- Financial status (income source, dual-income households, public benefits, number on fixed incomes, claimed bankruptcy, savings accounts, vehicles per household)
- Adverse behavior (criminal behavior – felony, misdemeanor, domestic violence reports, substance abuse, violence toward others)

When complete, this assessment will provide recommendations on how the County, other government agencies, community based organizations and foundations can better partner to enhance our critical social safety net infrastructure and reduce the effects of poverty. A report will be brought back to the Board in six months with these recommendations.

“The only thing poverty does is grind down your nerve endings to a point that you can work harder and stoop lower than most people are willing to. It chips away a person’s dreams to the point that the hopelessness shows through, and the dreamer accepts that hard work and borrowed houses are all this life will ever be. While my mother will stare you in the eye and say she never thought of herself as poor, do not believe for one second that she did not see the rest of the world, the better world, spinning around her, out of reach.” – Rick Bragg, All Over but the Shoutin’

The Hard Facts for Santa Barbara County

Families in Santa Barbara County are struggling:

- Poverty rate: 18% in 2010 (a 52% increase since 2007)*
- Number of families getting by on low incomes (below 200% of FPL): 20,653**
- Number of people without health insurance: 76,500 of which 10,200 are children*
- Percentage of households in self-owned housing units: 53%**
- Percentage of households in rental housing units: 47%**
- Percentage of renters spending more than 30 percent of their income on rent: 57.6%**
- Percentage of renters whose rent is between \$1,000 to 1,499 per month: 35.1%**
- Percentage of renters whose rent is over \$1,500 per month: 34.6% **

Children are facing major challenges: *Total number of SBC children 96,070*

- Poverty rate for children: 21.8% (up 63% from 2007)*
- Poverty rate for children under age 5: 23.6% (up 26% from 2007)*
- Teen unemployment rate: 70%¹

Social insurance and safety net programs help keep residents in Santa Barbara County afloat: 409,497 residents make up 140,842 households

- Medicare recipients: 35,000²
- Healthy Families recipients: 8,000²
- Medi-Cal recipients: 73,000 (62% are children)³
- CalWORKs recipients: 11,986 (78% are children)³
- CalFresh (Food Stamps) recipients: 22,399 (59% are children)³
- Percent of SBC children enrolled in federal free and reduced price lunch program: 55.9%⁴

Residents lack access to quality jobs:

- Unemployment rate (Sept. 2011): 8.6%⁵
- Natural Resources and Mining jobs lost since June 2007: 6,390⁶
- Construction jobs lost since June 2007: 3,515⁶
- Financial Activities jobs lost since June 2007: 2,203⁶
- Manufacturing jobs lost since June 2007: 2,095⁶
- Leisure and Hospitality Jobs lost since June 2007: 1,504⁶
- Trade, Transportation, and Utilities lost since June 2007: 2,845⁶

Data Sources: * 2010 American Community Survey (ACS), **2009 ACS, ¹Annie E. Casey Foundation, ²California Health Interview Survey (CHIS), Santa Barbara County Department of Social Services³, Kids Data⁴, Employment Development Department⁵, <http://www.bls.gov>⁶

Performance Measure:

To be determined when contractor is hired.

Fiscal and Facilities Impacts:

Budgeted: No

Fiscal Analysis:

<u>Funding Sources</u>	<u>Current FY Cost:</u>	<u>Annualized On-going Cost:</u>	<u>Total One-Time Project Cost</u>
General Fund	\$ 30,000.00		
State			
Federal	\$ 30,000.00		
Fees			
Other:			
Total	\$ 60,000.00	\$ -	\$ -

Narrative:

Federal funding of \$30,000 has been included as part of the Department’s approved budget for FY 2011-2012. \$30,000 from General Fund Contingency is unbudgeted and will require 4/5 vote by Board.

Staffing Impacts:

Legal Positions:
N/A

FTEs:
N/A

Special Instructions:

Please send one copy of the minute order to:

Eric Friedman, Staff Assistant Supervisor Carbajal &

Department of Social Services
ATTN: Heather Gardner, Management Analyst
2125 S. Centerpointe Parkway
Santa Maria, CA 93455

Attachments:

A: Budget Revision Request

Authored by:

Heather Gardner, Social Services Management Analyst

cc: