



Homeless Commission

34b

ACTION CALENDAR

December 11, 2007

To: Honorable Mayor and Members of the City Council
From: Homeless Commission
Submitted by: Jennifer Vasquez, Secretary, Homeless Commission
Subject: Proposed General Assistance Budget Reductions in FY08

RECOMMENDATION

Adopt a Resolution opposing the County of Alameda's Social Service Agency's plan to limit General Assistance to six months of the year in this fiscal year for people the Agency determines are "employable".

FISCAL IMPACTS OF RECOMMENDATION

The recommendation would not impact the City of Berkeley budget directly. The impact to the County's budget depends on number of recipients found to be employable as well as other shifts in funding being proposed. Actual impact to the County's budget is unknown at this time. It is unclear how many of the approximately 1,000 Berkeley residents receiving General Assistance will be impacted however, it is believed that limiting benefits will result in increased need for food, housing and other resources.

CURRENT SITUATION AND ITS EFFECTS

The County's Social Service Agency's current caseload of General Assistance recipients is 8,000 people. There are approximately 1,000 Berkeley residents who receive General Assistance benefits. The Agency is proposing to reduce the number of General Assistance recipients by 60%, 4,000 people, to save a projected seven million dollars. Beginning in January 2008, the Agency will begin to review recipients' "employability". If the Agency deems a recipient "employable", General Assistance will be limited to six months in a 12-month period. This means that recipients' assistance could be terminated as early as July 1, 2008.

These cuts to General Assistance benefits will leave 4,000 people with no income for a 6-month period. Community advocates, including East Bay Community Law Center and Homeless Action Center, believe that the elimination of benefits to these individuals will:

- Increase risk for homelessness.
- Increase the financial burden of low-income relatives that nevertheless continue to provide housing to individuals.
- Increase health care costs and crime.

Proposed General Assistance Budget Reductions in FY08

According to the East Bay Community Law Center, the Social Service Agency's director has indicated that the proposed change is not intended to improve the program, but to balance the County budget. However, the savings will not occur this fiscal year, because the cutoff will not occur until July 1, 2008. During the current fiscal year, the change will actually increase the cost of the program, because the Social Service Agency will be seeking to hire more workers to provide employment services. The Social Service Agency claims the cut will reduce program costs by a net of 7.5 million dollars. By comparison, the county adopted a current fiscal year budget that sets aside over 6 times that amount (\$50.8 million) for contingency and reserves.

BACKGROUND

The General Assistance program is entirely locally funded. General Assistance is a monthly cash benefit of up to \$336 a month for single adults who have no other means of financial support. Homeless people get \$28 a month in benefits. People who are referred to a shelter by the General Assistance program get \$19 a month. Individuals who pay rent receive \$336. In exchange for the benefit, individuals are required to participate in the County's work program for a set number of hours each month. A disabled person can get an exemption from the work requirement if a doctor certifies that the individual is unable to work. Approximately three years ago, the General Assistance caseload was 3,300. The current caseload is 8,000. It is believed that a high percentage of the new cases include transition aged youth and seniors who are homeless.

RATIONALE FOR RECOMMENDATION

The Agency's ability to identify who is "employable" has been widely criticized, and the Agency's ability to identify mentally disabled individuals who need accommodations in the program is the subject of a settlement agreement approved by the court. The Brou v County of Alameda (1997) and Santos et. al. v County of Alameda (2006) cases, both challenged the Agency's assessment process. Brou and Santos were both class action lawsuits brought against the Social Services Agency alleging that the Agency did not comply with the law regarding reasonable accommodations for mental disability. The plaintiffs have stated that, in both cases, the court agreed that the County was doing a poor job in assessing recipients. The settlement requires the welfare department to provide reasonable accommodations to people with mental disabilities both in the application process and in the ongoing eligibility process that continues after someone is on GA. The plaintiffs have stated that Santos was brought because the consent decree/settlement agreement in Brou was not followed by the welfare department.

Advocates believe that these cuts could violate the settlement agreement in the Santos case and potentially create new litigation. The agreement in Santos requires the Agency to provide adequate screening to see if GA applicants are mentally disabled. Advocates estimate that between one-third and one-half of the 4,000 "employables" will be misclassified resulting in an erroneous loss of benefits.

Proposed General Assistance Budget Reductions in FY08

Many disabled individuals receive General Assistance benefits as they wait for their Supplemental Security Income (SSI) case to go to hearing. It takes approximately 447 days for this process, which means many people will be left with no financial assistance while waiting for their SSI determination.

The County is proposing these cuts to save seven million dollars this fiscal year. Since the determinations won't be initiated until January 2008, the earliest savings wouldn't be realized until next fiscal year. Additionally, the seven million dollars savings would only be realized over time if each recipient were receiving the full \$336 a month. However, the average grant is a little over \$100 making the actual total program savings far less than the projected amount. The Homeless Commission believes that the adverse financial and social impacts of the proposed elimination of benefits exceeds any savings potential and, therefore, recommend that the County and its Social Services Agency identify other cost savings measures to balance the budget.

ALTERNATIVE ACTIONS CONSIDERED

None

CITY MANAGER

See companion report.

CONTACT PERSON

Jennifer Vasquez, Secretary to the Homeless Commission, Housing Department,
981.5431

Attachments:

1: Resolution

RESOLUTION NO. ##,###-N.S.

OPPOSE COUNTY OF ALAMEDA'S SOCIAL SERVICE AGENCY'S PROPOSED PLAN TO REDUCE GENERAL ASSISTANCE BENEFITS IN FY08

WHEREAS, the Homeless Commission advises the City Council on matters relating to homelessness in the City; and

WHEREAS, approximately 1,000 Berkeley residents are currently receiving General Assistance benefits and would be subject to the Social Services Agency's employability assessment, which has been widely criticized, and the Agency's ability to identify mentally disabled individuals who need accommodations in the program is the subject of a settlement agreement approved by the court in the case of Santos et. al. v County of Alameda (2006); and

WHEREAS, community advocates believe that any reductions in General Assistance benefits will adversely impact disabled and/or homeless Berkeley residents, their families, and the community agencies that serve them and would increase health costs and crime rates in Berkeley; and

WHEREAS, many Berkeley residents obtain General Assistance benefits while they wait for their SSI cases to be heard, a process that can take more than a year for an award determination and any reduction in General Assistance benefits during this time would result in individuals having no income to support themselves, increasing risk of homelessness; and

WHEREAS, the goal of saving seven million dollars this fiscal year cannot be reached since benefits are not proposed to be eliminated until July 2008 and, therefore, will not aid the County in balancing their budget this fiscal year.

NOW THEREFORE, BE IT RESOLVED that the Council of the City of Berkeley Oppose Alameda's Social Service Agency's proposed plan to reduce General Assistance benefits in FY08.