

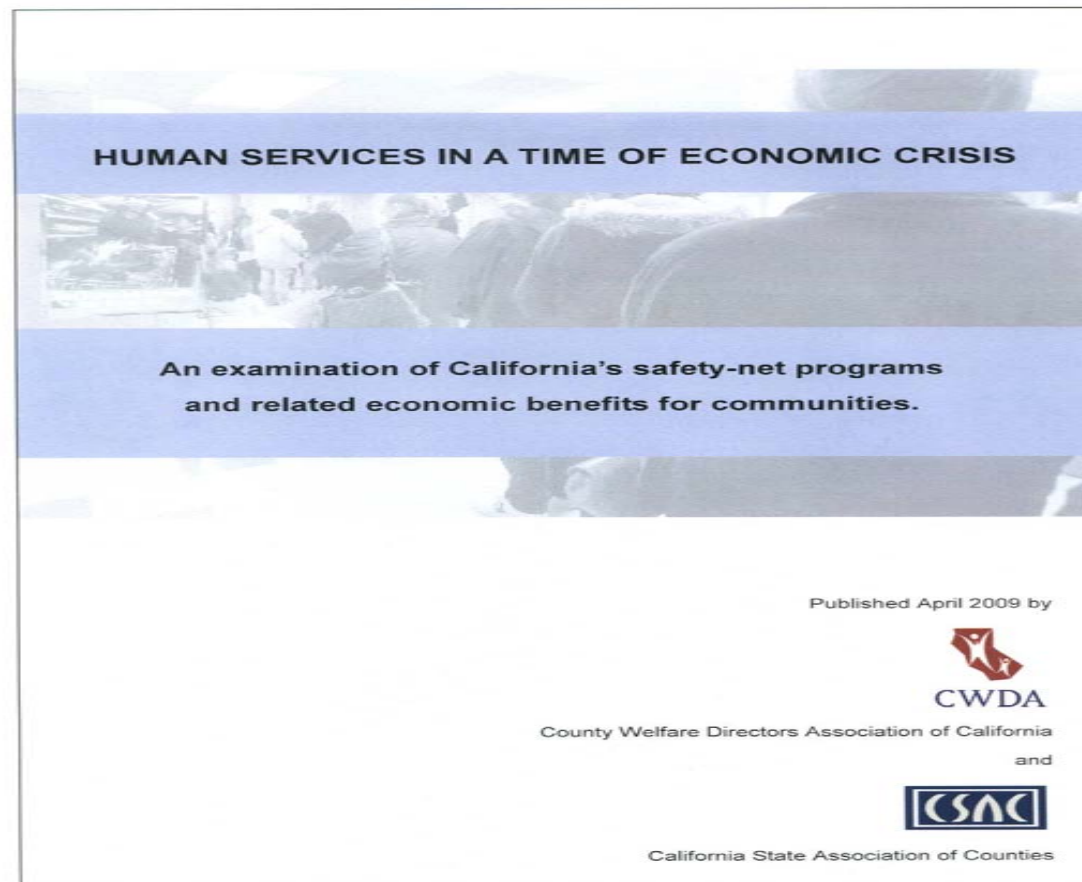
# ***Human Services in a Time of Economic Crisis***

***Presentation Prepared for  
June 11 NACO Webinar  
Joe Valentine, Director  
Contra Costa County Employment and Human Services***

***Applicants Wait in Line for Benefits, Richmond, CA 2009***



**In April 2009, A Report Was Jointly Issued by the California State Association of Counties [CSAC] and the California Welfare Director's Association [CWDA]**



# *“Human Services In A Time Of Economic Crisis”*

- ✓ Profiled the growing number of applications and caseloads;
- ✓ Documented the growing state funding gap for county human service programs;
- ✓ Demonstrated the economic stimulus impact of human services spending.

# Key Message Points:

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- The recession has sparked a rising demand for county social services.
- There are many persons and families turning to the county for help that have never used social services before.
- The long-term disinvestment by the state – nearly \$2 billion annually – has crippled the ability of counties to meet the rising need for safety net services.



# Key Message Points:

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- The increasing number of applications, coupled with the chronic underfunding by the state, is leading to delays in the ability of people to receive help.
- A new study by Beacon Economics that CSAC and CWDA commissioned shows that human services spending stimulates the economy – every \$1 of spending generates another \$1.32 of local economic activity.

# **Presentations to County Boards of Supervisors**

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- In April and May, Social Services Directors presented their reports to Boards of Supervisors across the state using a Powerpoint presentation that summarized the report's key findings, supplemented with local data.
- A statewide “call-in” press conference was held to roll out the report to the major media.
- Outreach was made in each county to local media to generate as much coverage as possible. Many local media ran stories covering the report and its key findings.

# **Presentations to County Boards of Supervisors**

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## ***The Goals of the presentations were to:***

- Arm supervisors with the information they needed to address the chronic underfunding by the state of the social services programs which counties administer on behalf of the state; and,
- To lobby the state not to make any additional cuts in human services that could have disastrous consequences for county residents and local economies.

# The Economic Recession

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- Key Message Point: *the rise in unemployment had led to increased demand for social services*

	<b>Dec 07</b>	<b>Feb 09</b>	<b>Projected: 2<sup>nd</sup> QRT 2010</b>
<b>State</b>	5.9%	10.5%	11.9%
<b>CC County</b>	5.0%	9.3%	> 10%



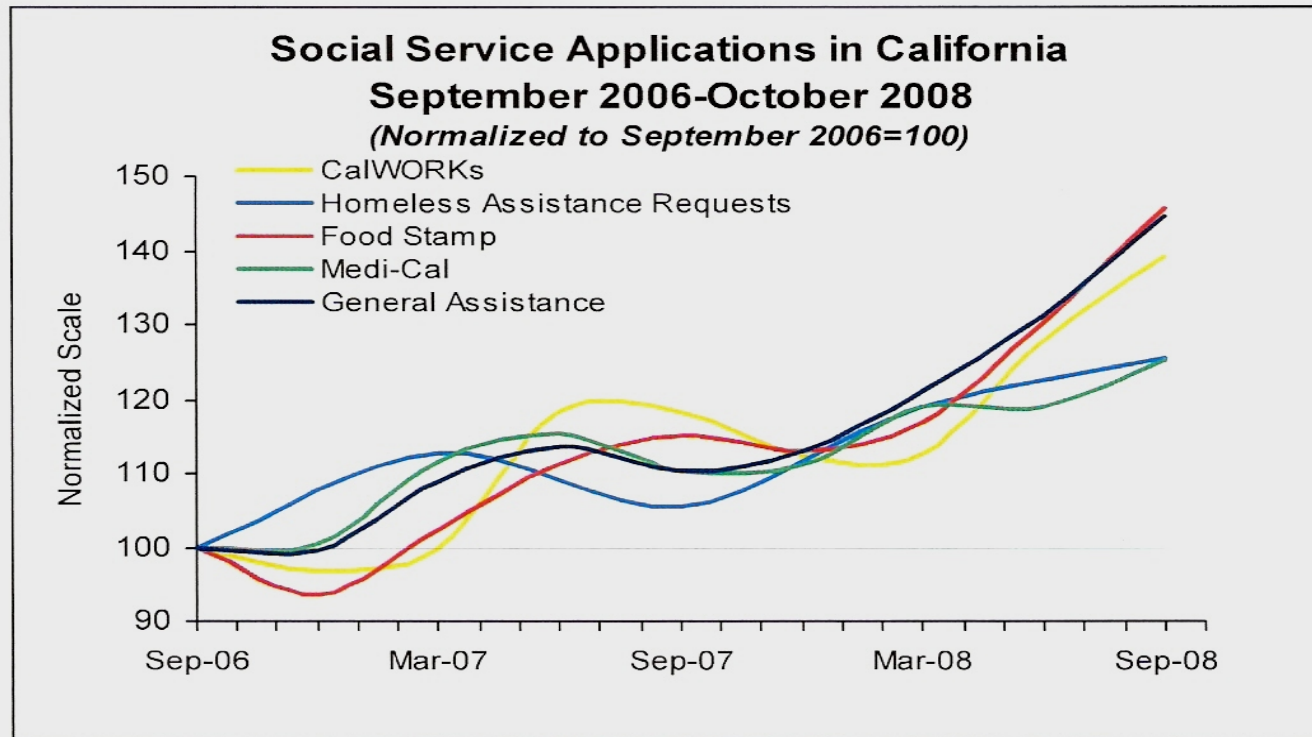
# Impact of Recession on Demand for Human Services

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- Counties have experienced a surge in applications for basic assistance: Food Stamps, CalWORKs, General Assistance, and Medi-Cal.
- Applications increased by 20 to 40 % in 2008.
- Higher application rates have not only continued into 2009, but in some counties, such as Contra Costa, have increased even more.

# Impact of Recession on Demand for Human Services

Chart C-1



# The “New Poor”

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- Recession has forced many working families to apply for government help who have never done so before.
- Some have assets and income higher than the maximum eligibility limits, resulting in a greater % of applications being denied than previously.
- These families may return in a few months – in even greater need – once they spend down those resources.

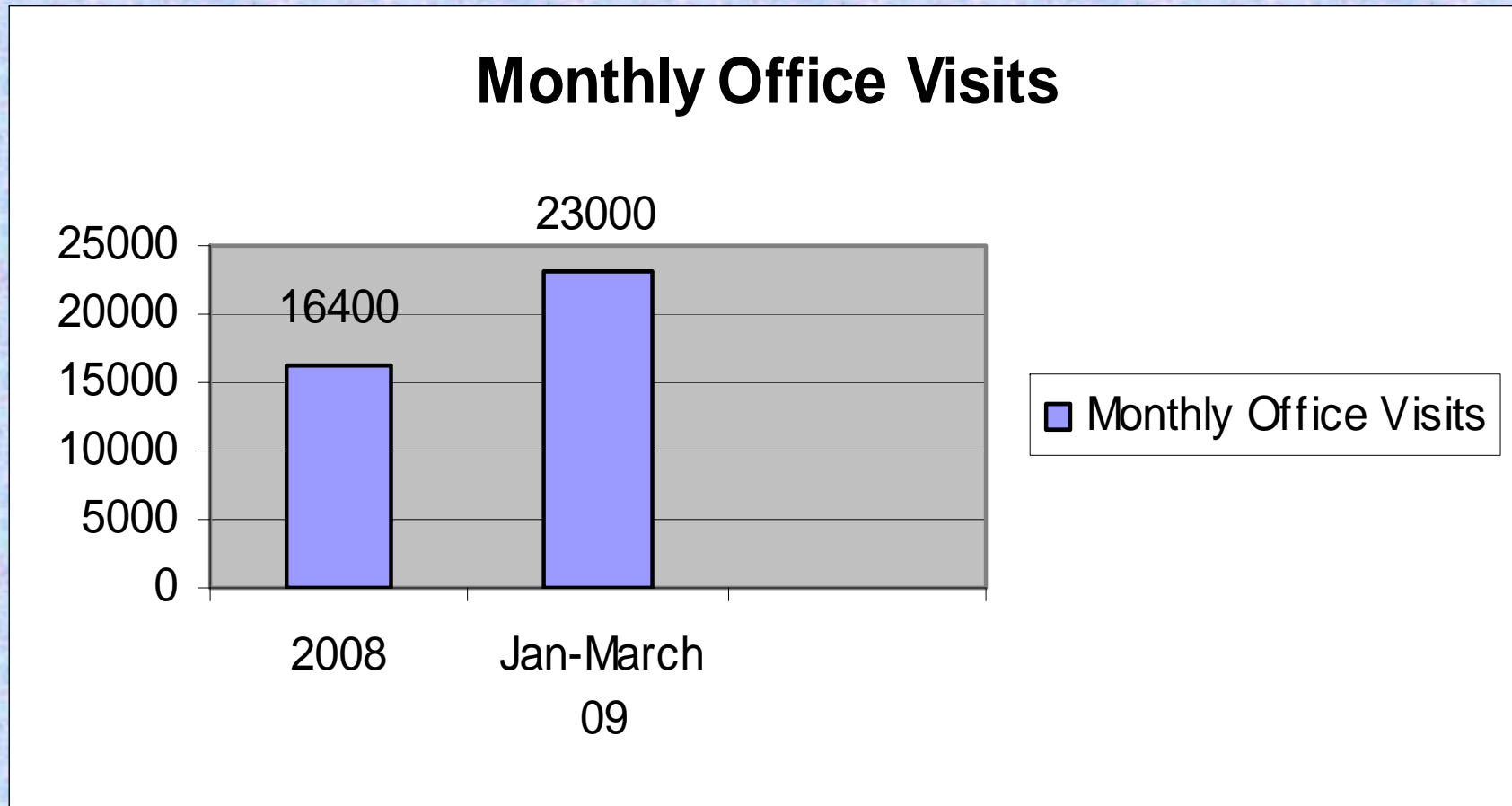
# The “New Poor” in Contra Costa County

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- 1. Father who worked as a carpenter in housing construction for 20 years:** laid off, mortgage interest increased, lost his home.
- 2. Single mother with 3 children:**  
Real Estate agent ran out of work last April, payroll checks from employer bounced, evicted in December.

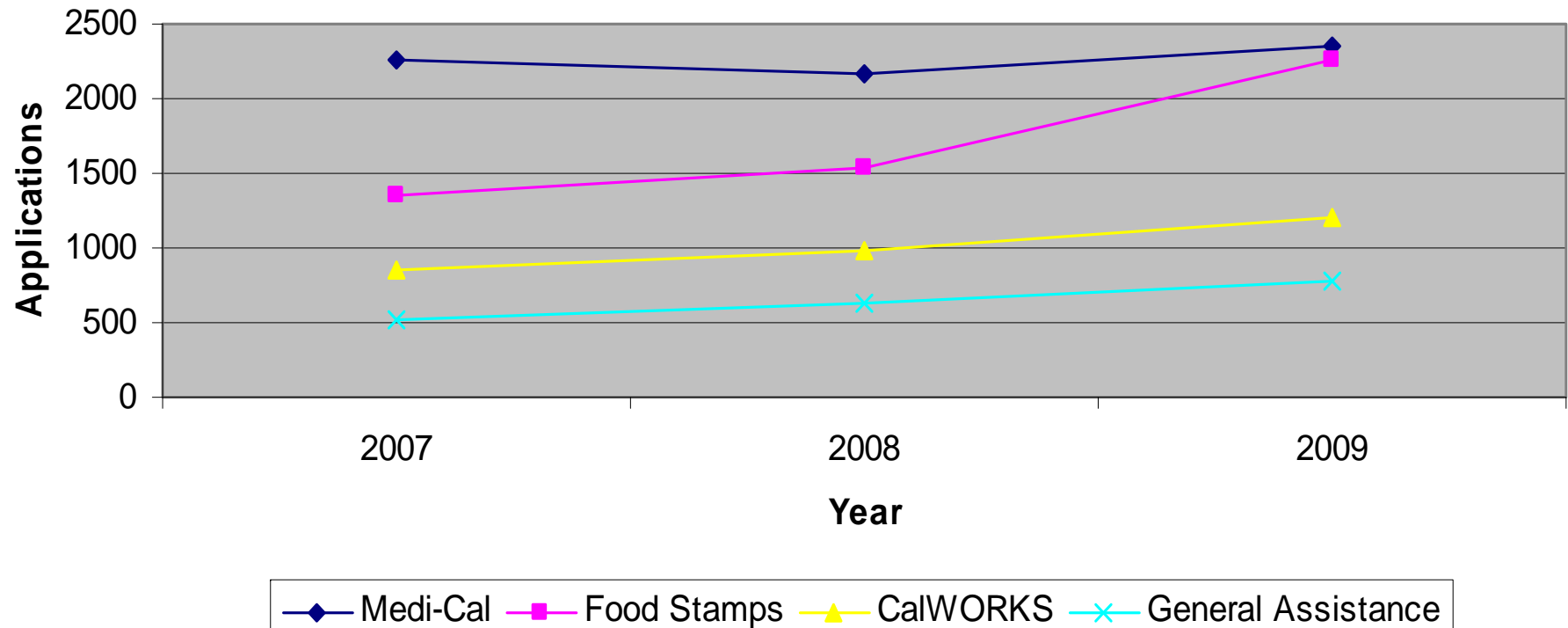


# Rising Demand for Social Services



# Rising Applications

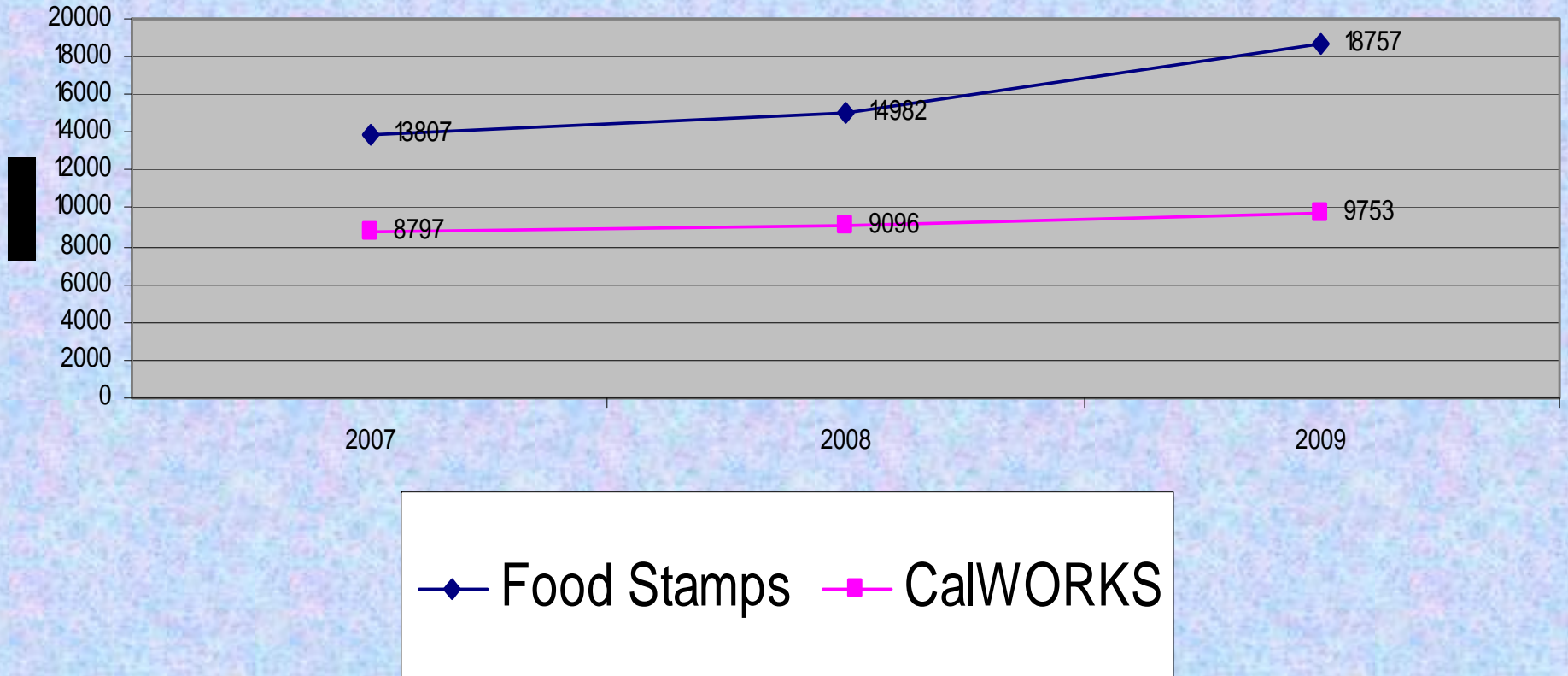
Monthly Applications



# Rising Caseloads

*note: applications have increased faster than caseloads*

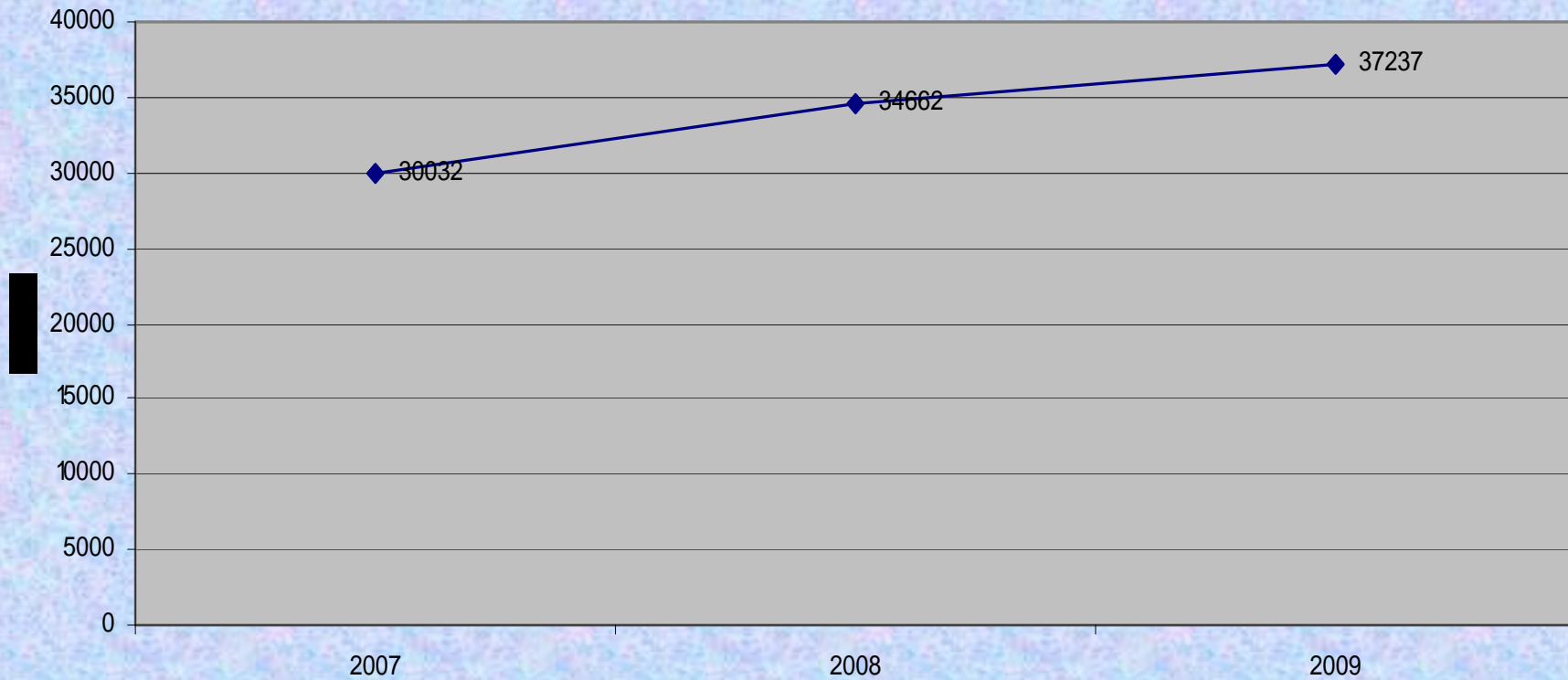
## CalWORKS & Food Stamp Cases



# Rising Caseloads

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## Medi-Cal Cases

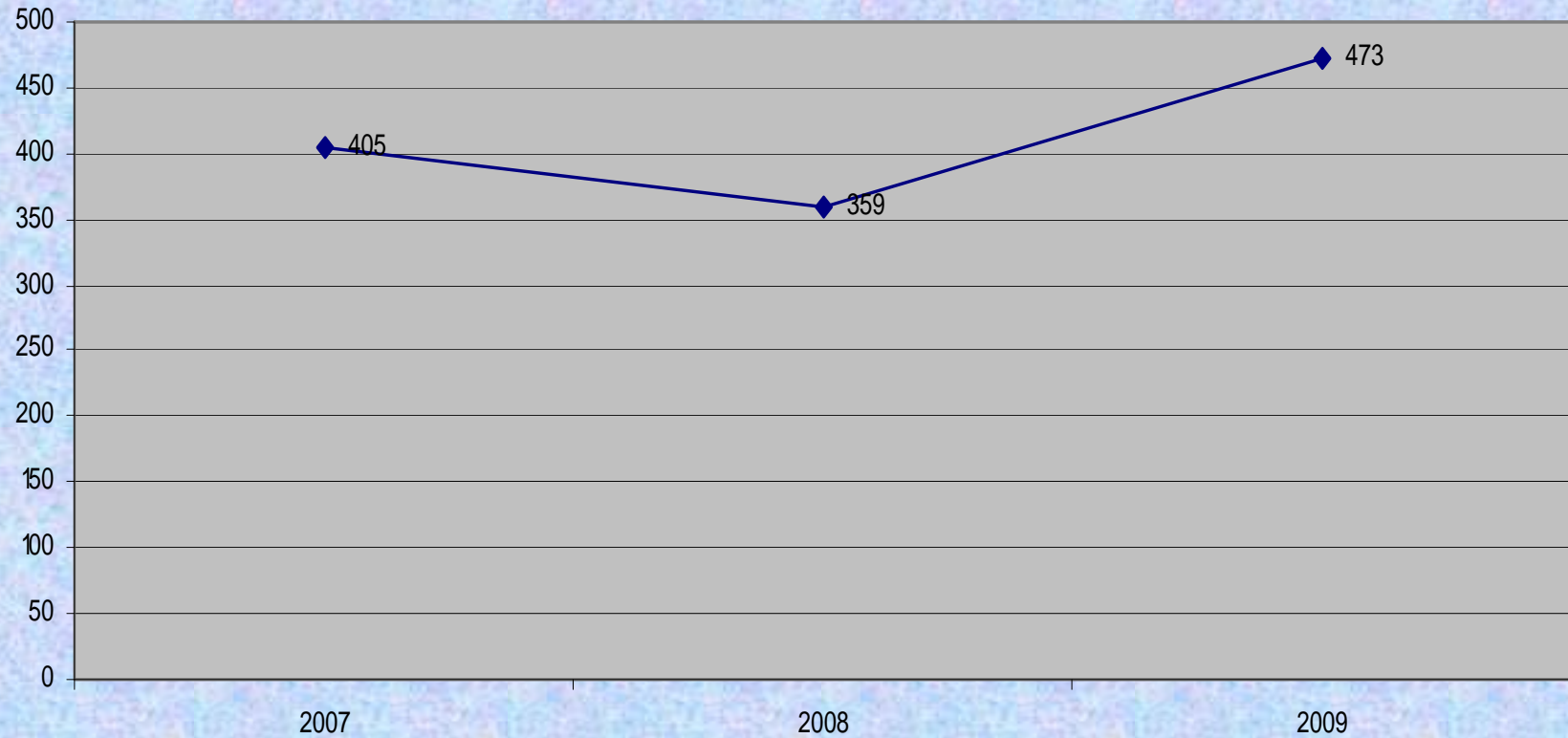




# Rising Caseloads

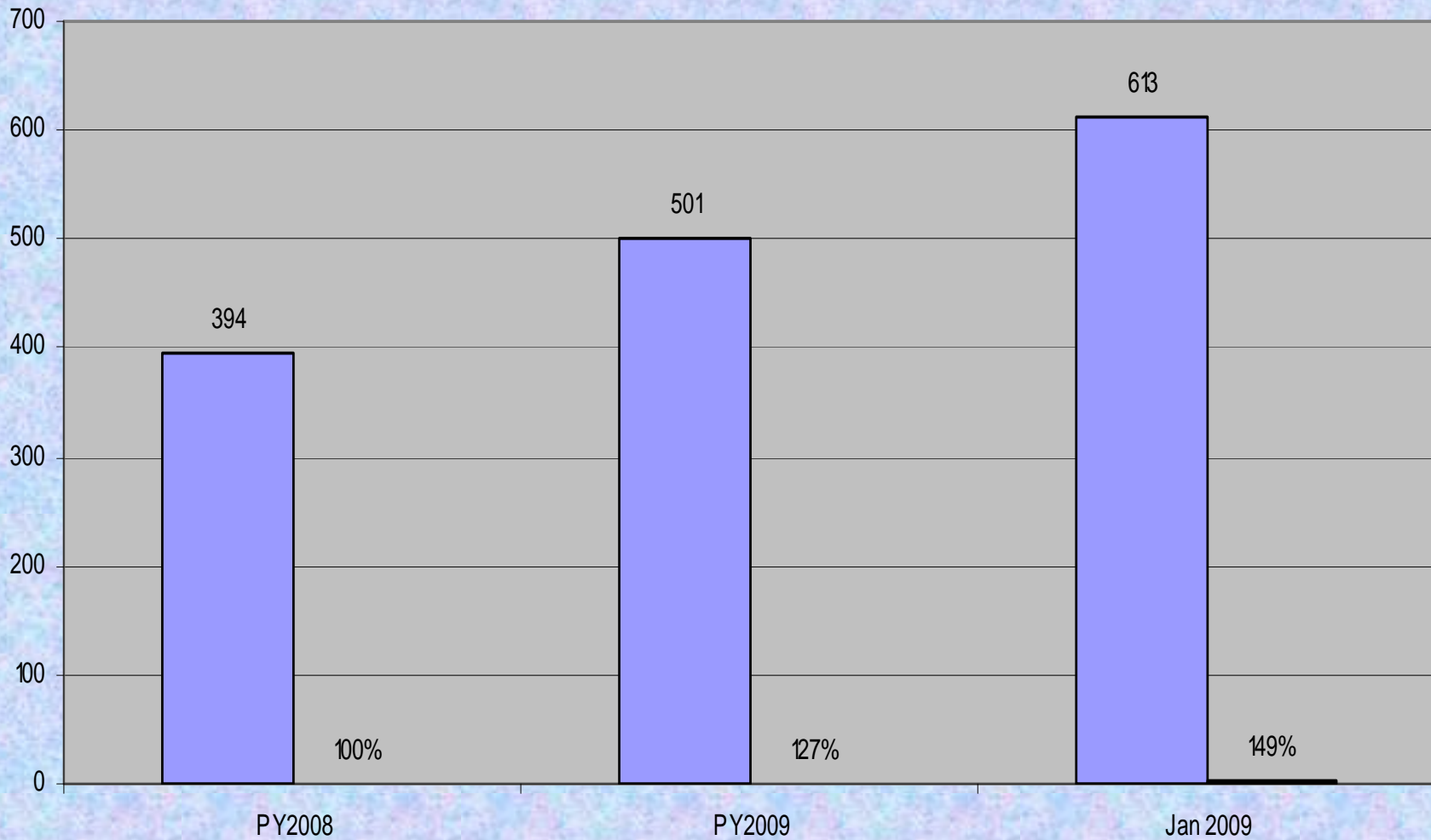
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## General Assistance Cases



# Daily Visits to One-Stop Centers

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# Staffing Reductions

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- State funding has not kept up with the rising demand.
- Legislative cuts and Governor vetoes led to reduction of over \$86 million for social services for 2008-2009.
- In Contra Costa, this led to a shortfall of over \$6 million to fund the number of staff needed to keep up with the rising caseloads.
- The loss of revenue was equivalent to 60.5 FTEs.

# Staffing Reductions

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- Halfway through the fiscal year, state and county tax revenues continued to decline leading to a shortfall in the EHSD budget of over \$16 million.
- On December 31, 203 positions were cut, including 74 layoffs.





# Program Impacts

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Programs that relied the most heavily on county supplemental funding or were 100% county funded experienced the largest impacts:

- **Child Welfare:** 67 “case carrying positions” - almost a 1/3 of all child welfare positions.
- **Adult Protective Services:** 9 positions cut – only 6 social workers remaining.
- **General Assistance:** over 60% of staff cut – only 8 eligibility workers remaining.
- More than 1/2 of all the **clerical staff** who handle reception and support case processing let go.

# **Cost of Doing Business Gap**

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- State has provided no “cost of doing business” adjustments in funding allocations since 2001.
- Statewide CODB Gap over \$1 billion. Counties have been forced to cut services or use a larger share of county general fund.
- Contra Costa 09-10 CODB Gap is \$37.9 million.
- Our CODB gap is equivalent to 370 positions!

# Human Services as Economic Stimulus

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- While Federal Economic Stimulus funds provide some time-limited help, Social Service benefit payments provide an ongoing contribution to the local economy.
- Benefit payments find their way immediately into the local economy:
  - ✓ Food purchases
  - ✓ Rent payments
  - ✓ Purchases of household goods
  - ✓ Payments to medical providers, etc.

# Human Services as Economic Stimulus

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The BEACON ECONOMICS Report shows that benefit payments have a “multiplier” affect in the local economy.

- Every \$1 dollar in payments generates another \$1.32 in local economic activity.
- In Contra Costa: over \$11 million in benefits are issued each month for Food Stamps, CalWORKS, GA, Foster Care payments, etc.
- Clients use of these benefits leads to immediate purchases of goods and services – this money enters the local economy quickly.



# Human Services as Economic Stimulus

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- Contra Costa monthly multiplier effect from benefit payments = **\$14.5 million.**
- **The multiplier affect plus the benefit payments = \$25 million monthly contribution to the county's economy!**



# What Needs to be Done?

- Urge legislative delegation to preserve existing funding for human services.
- Insist that the state treat counties as equal partners and recognize that costs have been shifted to them.
- Ensure infrastructure is in place to maximize leveraging of federal stimulus \$.
- Urge state to share a proportion of federal stimulus \$ with counties.

# Contact Information

For more information:

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