

GENERAL RELIEF GRANT EVALUATION

Purpose

The following assessment aims to evaluate the effectiveness and contemporary relevance of the existing General Relief (GR) grant. The following factors were considered when conducting the evaluation:

- Review of the policy's authority including the California Welfare and Institutions Code (WIC) and County Code;
- Analysis of the fiscal budget and caseload;
- Comparison of GR grant with other California counties using data from General Relief/Assistance County Exchange (GRACE); and
- Analysis of Care Not Cash (CNC) Program in San Francisco County.

Background

The GR Program helps residents of Los Angeles County who meet the eligibility criteria and whose basic needs are not otherwise met or are not eligible for federal or state programs. Los Angeles County is mandated under WIC section 17000, to provide such services. All costs to fund the GR Program are net county cost dollars.

Program Authority Review

Welfare & Institutions Code (WIC)	<p>17000.5 The board of supervisors in any county may adopt a general assistance standard of aid... that is 62% of a guideline that is equal to the 1991 federal poverty line and may annually adjust that guideline in an amount equal to any adjustment under Chapter 2 (commencing with section 11200) of Part 3 for establishing a maximum aid level in the county.</p> <p>17000.6 (a) The board of supervisors of any county may adopt a standard of aid below the level established in section 17000.5 if the Commission on State Mandates makes a finding that meeting the standards in section 17000.5 would result in significant financial distress to the county. When the commission makes a finding of significant financial distress concerning a county, the board of supervisors may establish a level of aid that is not less than 40 % of the 1991 federal official poverty level. (f) States if meeting the standards of section 17000.5 creates financial distress to a county, they may lower the amount to not less than 40% of the 1991 federal poverty line. If a county operates under section 17000.6, employable individuals must participate in welfare-to-work activities and can receive aid for nine months out of a 12-month period.</p> <p>17001.5 (c) A county may provide aid pursuant to Section 17000.5 either by cash assistance, in-kind, a two-party payment, voucher payment or check drawn to the order of a third-party provider of services to the recipient. Nothing shall restrict a county from providing more than one method of aid to an individual recipient.</p>
County Code	County Code does not provide information for the establishment of the grant amount. Los Angeles County is currently operating under WIC Section 17000.6

Commission on State Mandates

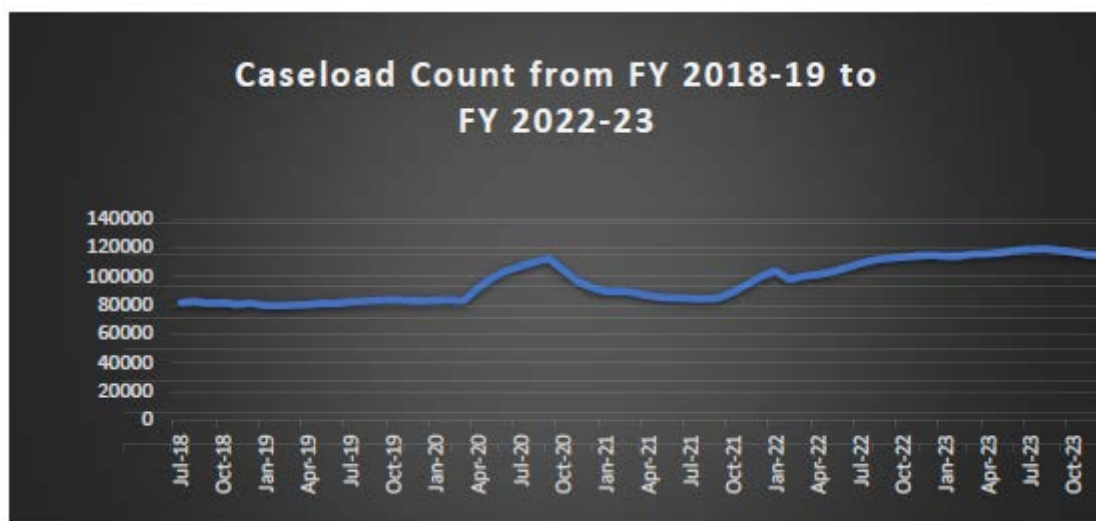
The County of Los Angeles formally appealed to the Commission on State Mandates, advocating for the GR grant amount to be established at \$221. This request was in recognition of the significant challenges posed by the high caseload of individuals in need of assistance and the financial distress it would impose on the county's resources. The plea emphasized the necessity of setting the GR grant at this level to adequately meet the needs of the residents without jeopardizing public safety. In February 1999, the County introduced a Welfare-to-Work Program named General Relief Opportunities to Work (now Skills and Training to Achieve Readiness for

Tomorrow (START) as part of the condition tied to a reduced grant amount. Another condition entails individuals who comply with the START Program, are allowed to receive GR for nine months in a 12-month period.

Caseload Analysis

The analysis of the GR caseload over the past few fiscal years reveals a consistent upward trend, with notable fluctuations attributed to external factors such as the COVID-19 Public Health Emergency (PHE) and associated waivers. The chart below reflects the following:

1. In FY 2018-19 to FY 2019-20, the monthly average caseload increased from 81,035 to 86,982, marking a 7.34% increase.
2. In FY 2019-20 to FY 2020-21, the monthly average caseload increased to 95,763, reflecting a 10.10% rise. This notable increase is likely influenced by the onset of the PHE and the implementation of waivers that suspended GR terminations, thereby expanding eligibility.
3. In FY 2020-21 to FY 2022-23, the caseload surged to 114,241, representing a substantial increase of 19.18% from the previous FY. This sharp uptick can be primarily attributed to the persistence of waivers stemming from the ongoing PHE, which sustained elevated GR applications.



The waivers set forth by the PHE to mitigate the economic challenges have contributed to the increased caseload. Effective June 1, 2023, GR terminations have resumed, however, the caseload is not anticipated to revert to the pre-COVID count. The high caseload resulted in a significant impact to the General budget.

Fiscal Analysis

The GR caseload has been on an incline since FY 2018-19. The total caseload count was the highest in FY 2022-23 with 1,376,551. The high caseload count was a result of the number of waivers in place due to PHE declared on March 4, 2020, that suspended GR terminations. The caseload counts increased 34% from FY 2018-19 to FY 2022-23. As the caseload increased, the expenditure amounts also increased from \$216,603,022 to \$283,812,000. During the PHE,

funding received from the American Rescue Plan helped with the budget for administering the GR Program. However, funding has run out from the American Rescue Plan and the Department of Public Social Services will now have to use net County cost. The projected expenditure for FY 2023-24 is \$289,929,000. The chart below illustrates, the projected upward trend from FY 2018-19 even with terminations resuming effective July 1, 2023.

Fiscal Year	Adopted Budget	GR Program Expenditure	Caseloads
2018-19	\$220,224,000	\$216,603,022	1,026,450
2019-20 (Note: California PHE was declared on March 4, 2020)	\$230,428,000	\$230,225,398	1,073,500
2020-21	\$240,352,000	\$248,914,703	1,151,752
2021-22	\$243,682,000	\$242,668,748	1,148,032
2022-23	\$258,186,000	\$283,806,290.20	1,376,551
2023-24 (Projection)	\$276,008,000	\$289,929,000 (Note: FMD has secured \$276,008,000. The remaining \$13.921M is pending approval from CEO. FMD will update GR program if there are any changes)	1,428,000

GR Grant Comparison

Los Angeles County's GR grant amount is \$221 for single individuals and \$375 for couples. This is the lowest GR grant amongst the 58 counties in the state of California (see attached chart). Santa Cruz has the highest GR grant amount of \$779 for a single-housed individual or if unhoused \$492, and a housed couple can receive up to \$1,000 or an unhoused couple can receive up to \$608. San Francisco's GR grant amount is \$712 for an employable-housed individual or \$109 if unhoused. An unemployable individual can receive \$556 but must apply for Supplemental Security Income. Amongst the 58 counties, San Mateo County's GR grant for a single individual is \$732 and has the highest GR grant amount for couples at \$1,414. The amount is 277% more than a GR couple in Los Angeles County.

Based on our survey to General Relief/Assistance County Exchange (GRACE), out of the counties that responded, San Mateo, Butte, and Yuba indicated they follow the Maximum Aid Payment (MAP) for CalWORKS, issuing the MAP allotment for one person. Additionally, they follow the cost-of-living adjustment for CalWORKS annually.

Care Not Cash

The CNC ballot measure passed in San Francisco, in November 2002. This ballot measure was designed to reduce the amount of money County Adult Assistance Programs (CAAP) homeless participants were receiving in exchange for shelters or other forms of services. A fund was established with the savings from the grant reduction to provide services to homeless individuals. The changes did not take effect until May 2004. This measure was to help with the homeless issue in San Francisco which was on the rise. Homeless applicants would typically receive \$410 from CAAP, but under CNC, they would be offered a shelter bed and \$59. A study released on February 9, 2005, indicated the number of CAAP participants who declared themselves to be homeless had decreased from 2,497 to 679 from the date of implementation.

CNC was suspended during COVID-19 due to a reduction in shelter beds to prevent the transmission of COVID-19 among the sheltered homeless population. However, CNC resumed in September 2022. With the resumption, many homeless individuals are seeking to return to their home residence instead of accepting a shelter bed and cash grant through CNC¹. It appears homeless individuals from neighboring counties were receiving the full CAAP grant during COVID-19 and are leaving San Francisco County with the resumption of CNC. Amidst this shift, the cost-of-living adjustment continues to increase.

Cost-of-Living

WIC allows counties to adjust the GR grant amount equal to any adjustments made by California Work Opportunity and Responsibility to Kids (CalWORKS). CalWORKS adjusts its Minimum Basic Standard of Adequate Care (MBSAC) annually based on cost-of-living adjustment using the California Necessities Index (CNI) measured by the California Consumer Price Index (CPI). CNI is a measure used to understand how much it costs to live in different parts of California by considering basic needs like housing, food, transportation, and healthcare. The cost of living has been increasing since FY 2018-19. Therefore, increasing the MBSAC for CalWORKS.

The CPI in California has steadily increased from calendar year 2019². In comparing Los Angeles Metropolitan Statistical Area (MSA)* to Riverside MSA and San Diego MSA, Los Angeles MSA had a lower CPI during 2020-2021, 2021-2022, and 2022- June 2023. San Francisco MSA had a lower CPI than Los Angeles MSA for 2020-2021 and 2021-2022. Los Angeles MSA had the highest CPI increase of 3.6%, from 2020-2021 to 2021-2022, (3.8% to 7.4%).

Understanding the CPI trends in California are critical when comparing it to the GR grant amount that has remained stagnant for more than 25 years. As CPI increases in regions across California, it highlights the increasing cost of living and financial strain faced by residents. The table below indicates the CPI in percent changes from the following year.

Percent Change (From-To)	United States City Average	Los Angeles, CA MSA ¹	Riverside, CA MSA ²	San Diego, CA MSA ³	San Francisco, CA MSA ⁴	California Weighted Average
2019-2020	1.2%	1.6%	1.9%	1.5%	1.7%	1.7%
2020-2021	4.7%	3.8%	5.8%	5.3%	3.3%	7.3%
2021-2022	8.0%	7.4%	8.8%	7.7%	5.6%	7.3%
2022- June 2023	4.5%	3.7%	4.7%	5.3%	4.0%	4.4%

Table 1 California Consumer Price Index (CPI) Trends

¹Los Angeles, CA MSA: Los Angeles and Orange counties

²Riverside, CA MSA: Riverside and San Bernardino counties

³San Diego, CA MSA: San Diego County

⁴San Francisco, CA MSA: Alameda, Contra Costa, San Francisco, San Mateo, and Marin counties

¹ <https://sfstandard.com/2023/03/30/san-francisco-expands-program-that-pays-for-homeless-individuals-to-return-home/>

² State of California Department of Finance, Monthly (All Items): from 1965 Report

Conclusion

Based on our analysis, Los Angeles County has the largest caseload among the 58 counties in the state of California, with the caseload consistently increasing year after year with the highest increase from FY 2021-22 to FY 2022-23. Due to the significant financial distress, Los Angeles County is allowed to maintain the GR grant at \$221 for single individuals.

With WIC allowing the GR grant to be 62% of the 1991 federal official poverty level, the GR grant can be set at \$342. This will allow participants to be able to meet more of their needs in response to cost-of-living adjustment increases; however, given the projected caseloads for FY 2023-24, this would increase the budget by 60% from the projected \$289,929,000 to \$462,715,000, and employable individuals would no longer be subject to the mandatory Welfare-to-Work requirements and time limit of nine-months for employable individuals.

Discussion

Based on the assessment the following can be implied:

- Should the GR grant be raised? If so, what should be the new amount?
- Although WIC authorizes an increase in the grant amount, will raising the GR Grant cause financial distress to the county?
- Should the GR grant be converted to services similar to San Francisco's CNC or another target-based model?