

LEGISLATIVE DIGEST

[General Assistance—In-Kind Assistance; Department of Human Services Care Fund.]

Ordinance modifying the City's General Assistance (GA) Program by amending Administrative Code Sec. 20.57 to reflect the current grant amount; amending Administrative Code Sec. 20.59.3 to provide in-kind housing, utilities, and meals to homeless applicants and recipients; amending Administrative Code Sec. 20.57.1 to value housing, utilities and meals provided to homeless recipients as in-kind assistance; adding Administrative Code Sec. 20.57.6A. to provide a special needs allowance to homeless recipients; adding Administrative Code Sec. 20.60.12 to establish a baseline GA budget; adding Administrative Code Sec. 20.60.13 to require a Controller's evaluation; adding Administrative Code Sec. 20.60.14 to establish an operative date for these amendments of on or before July 1, 2003; and amending the San Francisco Administrative Code by adding Section 10.100-77, to establish a Department of Human Services Care Fund, defining terms, identifying revenues, restricting permissible uses, providing for verification and adjustment of appropriations, and limiting expenditures in excess of the fund cap.

Existing Law

In-Kind Assistance. Currently, all self-declared homeless GA recipients receive a maximum individual cash grant of \$320 per month. Applicants and recipients who receive rent-free housing have an in-kind value, developed by the State of California for use in the health and human services programs, deducted from the maximum cash grant for which they are eligible.

Care Fund. The City provides assistance to homeless persons, and other individuals suffering financial hardships, through the County Adult Assistance Program ("CAAP"). CAAP includes the City's General Assistance Program, the Personal Assisted Employment Services Program, the Cash Assistance Linked to Medi-Cal Program, and the Supplemental Security Income Pending Program. Proposition N, the "Care Not Cash Initiative" adopted in November 2002, and other legislation adopted by the Board of Supervisors, would reduce direct cash assistance payments to homeless individuals in CAAP and instead provide in-kind benefits -- such as meals, housing, and other services -- directly. There currently is no special fund or account used to pay for in-kind benefits for homeless CAAP participants whose cash payments have been reduced.

Amendments to Current Law

In-Kind Assistance:

- 1) Shows the current aid payment amounts which have been increased over the years by operation of the Cost of Living Adjustment provisions of each ordinance.
- 2) Provides in-kind aid of housing, utilities, and meals for homeless applicants and recipients.
- 3) Deducts the in-kind value of shelter, utilities and meals provided to homeless applicants and recipients by the City from the maximum grant for which an applicant or recipient is eligible.
- 4) Provides a special needs allowance to recipients of up to \$59 per month when the in-kind value deduction exceeds the maximum monthly grant for which a recipient is eligible, or leaves the recipient with less than \$59 per month cash.
- 5) Establishes a baseline GA budget using the FY 2002-2003 final appropriation, and allows DHS to fund housing and related services for homeless adults without dependents from those monies.
- 6) Provides for a Controller's evaluation of the GA program every three years for effectiveness and cost efficiency.
- 7) Establishes an operative date of on or before July 1, 2003.

Care Fund:

The proposal would create a Department of Human Services Care Fund. The Fund would consist of the amounts to be taken from direct cash assistance payments, and would be the specific source of funding for new services. The Fund would apply to expenditures to implement Proposition N, or any other legislation that provides in-kind benefits in lieu of a full cash assistance grant for homeless CAAP participants.

The proposal measures the amount of money to be placed in the Fund each year in two ways:¹ First, the Fund would receive the amount of money the City saved when the overall number of homeless individuals in each CAAP programs dropped. Second, the Fund would receive the amount of money the City saved when cash payments to homeless participants in each CAAP program were reduced because the participants were to receive in-kind benefits instead.

¹ The proposed legislation only establishes the Fund. It does not itself appropriate money to the Fund, nor does it compel the Board of Supervisors to appropriate money to the Fund in future years. The City would appropriate money to the Fund through its annual budget or a supplemental appropriation ordinance.

The Human Services Commission would estimate these savings as part of its budget each year. Then, each quarter, it would examine and report to the Board of Supervisors on the actual savings realized, and the Board could increase or decrease its appropriations to the Fund to reflect those findings.

The Department of Human Services would use the Fund to pay for in-kind benefits to homeless CAAP participants whose monthly cash payments had been reduced. The benefits would include, at a minimum: housing, utilities, and meals; drug and alcohol treatment; mental health care; and job training. (The Department would determine what services and programs qualified as appropriate in-kind benefits by referring back to the ordinance being implemented.)

The Department could only use the Fund to pay for new programs and services needed to implement Proposition N, or any other legislation that provides in-kind benefits in lieu of a full cash grant. But the Department could continue to use any other money it had to provide the same level of such services to homeless CAAP recipients as it already provided, without any reduction in cash assistance, before such legislation took effect.

To the extent that there was extra money in the Fund, the Department could also use it to pay for job training, SSI advocacy, rental/move-in assistance, and any other services the Department deems necessary or appropriate to help move CAAP recipients in the City's shelter system into permanent housing or self-sufficiency.

The Department could spend up to \$11.9 million from the Fund in any one year without further Board action. But if the amount of money in the Fund exceeded \$11.9 million for the year, the Department could only spend the additional money after the Board of Supervisors approved an expenditure plan and a supplemental appropriation.

Background Information

In-Kind Assistance:

The goal of this legislation is to provide all homeless San Franciscans without dependents, who qualify for aid through the county General Assistance Program, food, shelter/housing and health services replacing the majority of existing cash grants with these guaranteed services.

The language in this ordinance comes from sections 1 through 7 of Proposition N, an initiative that the voters passed in November 2002. On May 8, 2003, however, the San Francisco Superior Court voided sections 1 through 7 of Proposition N, finding that the Board of Supervisors has exclusive authority to set standards for General Assistance to the indigent.

Care Fund:

As noted above, the City has proposed reducing direct cash assistance payments to homeless individuals and providing in-kind benefits -- such as meals, housing, and other services -- directly. In order to track expenditures for this purpose and match them with reductions in direct cash assistance, the sponsor has proposed creating a special fund, including the amounts to be taken from direct cash assistance payments, and using that fund as the specific source of funding for these new services.