



COUNTY OF HUMBOLDT

AGENDA ITEM NO.

B-2

For the meeting of: August 25, 2009

Date: August 10, 2009

To: Board of Supervisors

From: Phillip R. Crandall, Director
Department of Health and Human Services

Subject: Request that the Board of Supervisors support and affirm implementation of the General Relief Vendor Program and delegate to the Social Services Branch Director the authority to sign General Relief Vendor contracts.

RECOMMENDATION(S):

That the Board of Supervisors

1. Support and affirm implementation of the General Relief Vendor Program.
2. Delegate to the Director of the Social Services Branch the authority to sign General Relief Vendor Contracts with retailers wishing to participate in the General Relief Vendor Program.

SOURCE OF FUNDING:

General Fund. (Fund 1100 General Relief Budget Unit 525)

Prepared by Jeff Henson, Administrative Analyst CAO Approval

TLFR

REVIEW:	Auditor _____	County Counsel <u>SP</u>	Personnel _____	Risk Manager _____	Other _____
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TYPE OF ITEM:

Consent

Departmental

Public Hearing

Other _____

PREVIOUS ACTION/REFERRAL:

Board Order No. _____

Meeting of: _____

BOARD OF SUPERVISORS, COUNTY OF HUMBOLDT
Upon motion of Supervisor CLENDENEN
Seconded by Supervisor NEELY
And unanimously carried by those members present,
The Board hereby adopts the recommended action
contained in this report.

Dated: August 25, 2009
Kathy Hayes, Clerk of the Board

By: [Signature]

DISCUSSION:

The County of Humboldt is mandated by the State to provide for the basic needs of its single indigent County residents who have no other means of support. This relief program is commonly referred to as General Relief or General Assistance. General Relief dates back to 1945. The County Department of Health and Human Services (DHHS) is the body that has been tasked with administering the General Relief Program as established by the County Board of Supervisors.

As part of the integrated outcomes based approach, DHHS has been engaged in transforming the County's General Relief Program for several years. This transformation has focused on continuous improvement in efficiency, effectiveness, and service delivery at every level with the focal point of developing a socially responsible program and assisting recipients on the road to self-sufficiency. Historically, Humboldt County General Relief payments have been provided directly to recipients in the form of cash. In keeping with the tenets of the General Relief transformation, the new focus is on providing benefits and services that will assist clients in becoming self-sufficient.

With passage of Welfare & Institutions Code 17001.5 county governments were given the flexibility to issue General Relief benefits in the form of vouchers, checks and aid in-kind. Subsequently, on June 26, 2007, Resolution 07-51 was adopted by the County Board of Supervisors authorizing DHHS to implement programs to support the poor.

As part of the transformation process, DHHS implemented the Single Payee Payments to Landlords Program in May 2007 and the General Relief Shelter Program in July 2007. Implementation of these two program components has shifted the County's General Relief Program towards a more benefits and services focused program.

In keeping with this new "benefits and services" paradigm, DHHS intends to implement the General Relief Vendor Program in the latter part of this year.

The General Relief Program will mandate that monthly General Relief benefits be issued in the form of two-party checks payable to General Relief recipients and participating retailers that provide basic need items. Vendor checks will not cover the purchase of alcoholic beverages, tobacco products or lottery tickets. Additionally, both the recipient and the retailer will certify with the County that a maximum of \$3.00 in change will be given back when less than the amount of the check is redeemed. Recipients will be allowed to receive up to \$30.00 per month in cash to meet miscellaneous needs to include transportation. The General Relief Vendor Program will also require clients to take a proactive role in developing and submitting to DHHS a budget on how their monthly grant will be allocated.

Recipients will pick from a list of participating retailers and specify how much of their grant, excluding any housing, utility and cash portions previously identified, they want allocated to each retailer. To allow for individual circumstances, recipients will be given the freedom to designate either multiple vendors or the issuance of multiple checks to the same vendor. Check amounts as set by recipients will be no lower than \$20.00 per check.

DHHS will make every effort to enlist participation from all retailers of basic needs identified by GR clients. In addition, prior to implementation of the vendor program, DHHS has been

actively seeking participation from key retailers that meet basic food/clothing/incidental needs for the County GR population. It is DHHS' intent to provide GR clients freedom of choice and reasonable access to providers. Any retailer wishing to participate in this program will be allowed participation contingent upon them agreeing to the above mentioned terms. Additionally, all retailers will be required to complete and provide tax ID information regardless of their tax status. Any vendor repeatedly found to be in violation of the terms of this program will be subject to termination which will result in exclusion from the General Relief Vendor Program.

In order to facilitate reasonable access and freedom of choice by General Relief recipients to retailers in a timely manner, DHHS requests that the Board delegate their authority to the Social Services Branch Director to sign vendor contracts with retailers wishing to participate in the program. Viability of this program component will depend largely upon the Department's ability to execute many contracts with identified retailers that provide basic need items.

FINANCIAL IMPACT:

There is no direct impact financially to the County in delegating authority to the Social Services Branch Director to sign and negotiate Vendor Contracts. Funds to provide services for this program are budgeted in fund 1100 budget unit 525 for FY 2009/2010.

OTHER AGENCY INVOLVEMENT:

County Counsel and Risk Management Division

ALTERNATIVES TO STAFF RECOMMENDATIONS:

Board's discretion

ATTACHMENTS:

General Relief Vendor Contract
General Relief Vendor Program Description

CONTRACT
BETWEEN (Enter Vendor's Name)
AND
HUMBOLDT COUNTY DEPARTMENT OF HEALTH AND HUMAN SERVICES

GENERAL RELIEF VENDOR PAYMENT PROGRAM

This contract is entered into between (Vendor's Name), hereafter called **VENDOR**, and the Humboldt County Department of Health and Human Services, hereafter called **COUNTY**, for the purpose of delineating roles and responsibilities relative to County food, clothing and incidental purchases under the General Relief Vendor Payment Program.

The General Relief (GR) Vendor Payment Program serves to meet the basic needs of those poor and incapacitated persons who do not qualify for any other form of public assistance. Among the need items that GR provides for are food, clothing and incidentals (e.g. toiletries). **COUNTY** seeks to purchase these items from **VENDOR** on behalf of designated GR recipients.

I. COUNTY RESPONSIBILITIES

Warrant Issuance and Use

- A. Warrants for the purchase of food, clothing and incidental items shall be printed under such arrangements and in such amounts as may be determined by COUNTY to be necessary.**
- B. Warrants shall be made payable to the following co-payees:
 - 1. Persons who have been duly certified as eligible to participate in the GR Vendor Payment Program; and**
 - 2. The Vendor.****
- C. Warrants shall expire after the sixtieth day of issuance. COUNTY shall ensure that the expiration date will be clearly visible on the face of the warrant.**
- D. COUNTY shall prescribe appropriate procedures for the delivery of warrants to all eligible GR participants.**
- E. Eligible GR participants shall deliver these warrants to VENDOR when transacting with VENDOR for the purchase of food and/or clothing and/or incidental items.
 - 1. "Food" shall mean any food or food product except alcoholic beverages, tobacco and lottery tickets.****

2. **"Clothing" shall mean any coverings for the torso and limbs as well as coverings for the hands (gloves), feet (socks, shoes, sandals, and boots) and head (hats, caps).**
 3. **"Incidentals" shall mean any non-food or non-food product except alcoholic beverages, tobacco and lottery tickets.**
- F. COUNTY shall instruct all GR participants to provide proof of identification when delivering these warrants to VENDOR. Such proof of identification shall consist of any one of the following items:**
1. **California Driver's License issued by the Department of Motor Vehicles;**
 2. **California ID card issued by the Department of Motor Vehicles;**
 3. **General Relief Identification Card issued by COUNTY.**
- G. COUNTY shall instruct all GR participants to purchase food and/or clothing and/or incidental items before the expiration date printed on the warrant.**
- H. The County shall further instruct all GR participants to endorse, in the presence of the Vendor, the back of the warrants when obtaining their food, clothing and incidentals.**
- I. COUNTY shall honor all warrants received and processed in the manner prescribed herein.**
- J. COUNTY shall place a stop payment on any warrants reported to be lost or stolen by a GR participant.**
- K. Any Stop payment warrant accepted by VENDOR in good faith, and in accordance with the terms set forth herein, may be returned by VENDOR to COUNTY for payment consideration. COUNTY will forward these warrants to its SIU (Special Investigative Unit) for authentication of presenter's signature.**
1. **Should the authentication, as performed by SIU on behalf of COUNTY, determine the presenter's signature to be genuine, COUNTY shall promptly reimburse VENDOR for the full amount of the warrant.**
 2. **Should the authentication, as performed by SIU on behalf of COUNTY, determine the presenter's signature to be a forgery, COUNTY shall notify VENDOR, in writing, of its refusal to honor the warrant on the basis that VENDOR either:**

- a) Failed to obtain acceptable proof of identification from the presenter, or
- b) Failed to adequately compare the presenter's endorsement on the County warrant with the signature on the presenter's ID.

II. VENDOR RESPONSIBILITIES

Warrant Receipt and Processing

- A. When presented with a co-payee County warrant from a duly certified GR Vendor participant, for the purchase of food, clothing or incidental items, VENDOR shall require that the presenter furnish acceptable proof of identification, as detailed in Section I, Subsection F, above.
 - 1. VENDOR shall ensure that the presenter's name on the ID matches the co-payee's name printed on the front of the County warrant.
 - a) Should the presenter be unable to furnish acceptable proof of identification, or should the presenter's name on the ID not match the co-payee's name on the front of the County warrant, VENDOR shall not honor the County warrant, but shall, instead, terminate the transaction, and return the warrant to the presenter.
 - 2. VENDOR shall instruct the presenter to co-endorse the back of the County warrant, and shall witness the presenter as he/she does so. VENDOR shall compare the endorsement signature of the presenter with the signature on the presenter's ID. When, in VENDOR'S opinion, these signatures do not appear to match, VENDOR shall not honor the County warrant, but shall, instead, terminate the transaction, and return the warrant to the presenter.
 - a) VENDOR'S failure to obtain a correct and proper endorsement by the presenter may cause COUNTY to withhold payment.
 - b) VENDOR shall make a photo copy of all negotiated County warrants that are returned to VENDOR unpaid. VENDOR shall mail these copies to COUNTY for authentication of presenter's endorsement. VENDOR will mail the photo copy to COUNTY as set forth in Section V.
 - c) Should the authentication, as performed by SIU on behalf of COUNTY, determine the presenter's signature to be genuine, COUNTY shall promptly reimburse VENDOR for the full amount of the warrant.

d) Should the authentication, as performed by SIU on behalf of COUNTY, determine the presenter's signature to be a forgery, COUNTY shall notify VENDOR, in writing, of its refusal to honor the warrant on the basis that VENDOR either:

(1) Failed to obtain acceptable proof of identification from the presenter, or

(2) Failed to adequately compare the presenter's endorsement on the County warrant with the signature on the presenter's ID.

B. VENDOR shall not accept said warrants in payment for alcoholic beverages, tobacco or lottery tickets.

C. VENDOR is prohibited from giving any more than \$3.00 cash in change on these warrants.

D. VENDOR shall not accept said warrants that have expired.

III. TERM

This agreement shall commence on this _____ day of _____, _____ and terminate on June 30, _____. It will be automatically renewed for successive County fiscal year periods beginning on _____, _____, unless terminated as provided herein.

IV. GENERAL PROVISIONS

E. This contract may be modified only upon written amendment, signed by both COUNTY and VENDOR.

F. COUNTY and VENDOR shall comply with all GR requirements related to the confidentiality of information concerning individuals participating in this program.

G. This contract may be terminated by either party with a forty-five day prior written notice. Notices of termination shall be mailed to addresses as set forth in Section V.

V. NOTICES

H. All notices shall be given to COUNTY at the following address:
Humboldt County Health and Human Services
Social Services Branch
929 Koster Street
Eureka, CA 95501
Attention: General Relief Program Manager

I. All notices shall be given to VENDOR at the following address:
Vendor's Name
Vendor's Street address
Vendor's City, State and Zip Code
Attention: as designated by Vendor

VI. HOLD HARMLESS/INDEMNIFICATION CLAUSE

- J. The parties to this contract shall indemnify, defend and hold harmless the other parties hereto and their officers, agents, and employees, from any and all claims, demands, losses, damages, and liabilities of any kind or nature, including attorney's fees, which arise by the virtue of its own acts or omissions (either directly or through or by its officers, agents, or employees) in connection with its duties and obligations under this contract and any amendments hereto.
- K. Acceptance of insurance required, if any, by this contract does not relieve VENDOR from liability under this indemnification clause. This indemnification clause shall apply to all damages or a claim for damages suffered by VENDOR'S operations regardless if any insurance is applicable or not.

VII. NUCLEAR FREE HUMBOLDT COUNTY COMPLIANCE ORDINANCE

- L. VENDOR certifies by its signature below that VENDOR is not a Nuclear Weapons Contractor, in that VENDOR is not knowingly or intentionally engaged in the research, development, production, or testing of nuclear warheads, nuclear weapons systems, or nuclear weapons components as defined by the Nuclear Free Humboldt County Ordinance. VENDOR agrees to notify COUNTY immediately if it becomes a nuclear weapons contractor as defined above. COUNTY may immediately terminate this contract if it determines that the foregoing certification is false or if VENDOR becomes a nuclear weapons contractor.

(Enter Vendor's Name)

Humboldt County Health and Human Services

Authorized Signature

Title

Date

Authorized Signature

Title

Date

**Authorized Signature Pursuant to the
Authority Delegated by the Board of
Supervisors on:**

Title

Date

General Relief Vendor Program Description

Introduction-

County Resolution 07-51 and Welfare and Institutions Code 17001.5 allow the Department of Health and Human Services (DHHS) to issue General Relief (GR) benefits by voucher, in kind, check or cash. The primary goal of the GR Vendor Program is to provide for the basic needs of indigent residents in a socially responsible manner. The Department intends to issue monthly GR benefits in the form of checks or in-kind services. Benefit checks will not cover the purchase of alcoholic beverages, tobacco products or lottery tickets. In addition, the new GR Vendor Program requires clients to demonstrate responsibility for their finances by developing and submitting to the County a budget showing how their monthly grant will be allocated. Implementation of a vendor system is a key component of the County's GR Transformation Plan.

Single Payee Checks to Landlords-

Currently the County GR program has the capacity to make direct payments to landlords. A client's rent portion of the grant is sent directly to the landlord. With the implementation of the Vendor Program, a client's utility expense, if applicable, will also be paid directly to the utility provider with a single payee or two party check. Clients will be encouraged to pay rent and utilities before checks are issued for living expenses.

The remaining portion of the grant, living expenses which for the purpose of this program comprises food, clothing and/or incidentals, will be provided in the form of checks to participating vendors to meet clients' food, clothing and/or incidental needs with no more than \$30.00 cash issued to the client for other miscellaneous needs to include transportation.

For the purpose of this program basic needs are defined as, minimum subsistence, at the very least, including housing, food, utilities, clothing, transportation and medical care as stipulated by California statute.

Grant Allocation and Method of Delivery-

As part of granting GR, an applicant of aid will be required to complete and submit a GR Grant Allocation Worksheet. The eligibility worker will inform the client on the amount of GR that they will receive for the month. The GR Grant Allocation Worksheet will explain to clients that their monthly grant is intended to pay for the following basic need items:

-Housing:

A single payee or two-party check will be mailed to or held for a client's landlord or lien holder in the amount as reported and verified by the client not to exceed the client's monthly maximum aid payment. The County will also pay,

with a single payee or two-party check, property taxes and required insurance on property that is owned and used as the client's primary residence as reported and verified by the client not to exceed the client's monthly maximum aid payment.

-Utilities: A single payee or two-party check will be mailed to a client's utility provider in the amount as reported and verified by the client not to exceed the client's monthly maximum aid payment.

-Living Expenses: One or more checks, in the form of a two-party check, for food/clothing/incidentals¹ will be provided to the client in the amount(s) specified on the GR Vendor Allocation Worksheet. The total will not exceed the client's monthly maximum aid less any reported and verified housing/utility expense and or allowable cash payment. As stated above, the only limitation that will apply to check redemption will be on alcohol, tobacco and lottery tickets.

-Cash: A check, for cash, will be issued to the client not to exceed \$30². The issuance of the cash is meant for clients to meet their transportation needs and other miscellaneous needs not met by checks issued for living expenses.

When completed, the total of all allocations by the client will not exceed the client's monthly maximum aid payment.

Designation of Vendors-

In addition to completing the GR Grant Allocation Worksheet, clients will also complete a GR Vendor Allocation Worksheet that will identify where they will redeem their checks. They will pick from a list of participating retailers and specify how much of their grant, excluding any housing, utility and cash portions identified, they want allocated to each retailer. The total amount of vendor checks issued will not exceed the total living

¹ Incidentals as defined by this policy include but are not limited to household goods such as pots, pans, utensils, toilet paper, ice, ice chests, paper plates, sheets, towels, etc., toiletries such as soaps, deodorant, razors, feminine hygiene products, etc. and first aid/medical supplies such as bandages, aspirin, cold medicine, etc.

²Of the \$30.00 cash allowance, \$18.00 is for transportation needs with the remaining \$12.00 meant for miscellaneous needs not covered by living expenses. The \$18.00 transportation allowance is 13% of the "living expenses" portion of the basis maximum grant. Per the Public Policy Institute of California, the median annual transportation expenditures for low-income households in California are 13%. Research Brief: Public Policy Institute of California, Issue #91, July 2004. How Much Do California's Low-Income Households Spend on Transportation.

expense on the GR Grant Allocation Worksheet and the GR Vendor Allocation Worksheet.

If a particular retailer that a client uses on a regular basis to meet his or her basic needs is not listed, he or she may give the County the retailer name and address and the County will contact the retailer to enlist their participation in the vendor program. If the retailer agrees to participate, a check will be issued for use. If the retailer refuses to participate, the client will be required to pick a participating retailer or provide another retailer, not on the list for the County to engage, where he or she uses to meet basic needs. The County will make every effort to enlist retailers not participating in the vendor program that have been identified as providers of basic needs for clients. Clients may also be required to use participating retailers on an interim basis contingent upon their regular retailer agreeing on participation in the vendor program.

Any vendor repeatedly found to be in violation of the terms of this program will be subject to termination which will result in exclusion from the GR Vendor Program.

Once the GR Grant Allocation Worksheet has been completed and all retailers have been identified on the GR Vendor Allocation Worksheet, the Eligibility Worker will authorize the check(s) to be produced and issued by the accounting unit. The checks will be delivered to clients in accordance with current policy and procedure.

Basic Program Rules-

The following are basic rules that apply to the usage of checks. Clients will be informed about these basic usage rules at application and renewal interviews.

1. Checks can only be used on or after the issue date printed on the check.
2. The check will expire sixty days after issuance. The sixty day expiration date applies to the client in that the check must have been redeemed for goods by the sixtieth day of issuance.
 - a. The County reserves the right to redeem expired checks accepted by retailers. The County will review and work to resolve cases where retailers have accepted expired checks in good faith.
3. Checks are not redeemable for cash.
4. Clients can designate more than one check for the same retailer.
5. Check amounts, as set by clients, will be no lower than \$20.00 per check.

6. The total dollar amount of vendor checks issued will not exceed the total dollar amount of the living expense, as completed by the client on the GR Grant Allocation Worksheet and the GR Vendor Allocation Worksheet.
7. Checks are good only at the retailer named on the check.
8. Checks cannot be used for the purchase of alcohol, tobacco or lottery tickets.
9. A maximum of \$3.00 may be given back in change when less than the amount of the check is redeemed.
10. Clients will certify by signing the GR Vendor Allocation Worksheet that they will redeem goods for up to or within \$3.00 of the total amount of the check.
11. Clients will be required to show picture identification at redemption.

Only the following forms of ID will be accepted:

- A current California Driver's license.
 - A current California ID card.
 - A current General Relief ID issued by DHHS.
12. The client must sign the back of the check in the presence of the retail clerk.
 13. In order to change the next month's check allocation to different retailer(s), recipients must inform and provide their Eligibility Worker with an updated GR Grant Allocation Worksheet and GR Vendor Allocation Worksheet designating new retailers by the 14th day of the current month.
 14. All lost checks will be replaced in accordance with current check replacement procedures.
 15. Any client found to have fraudulently reported a lost or destroyed check will be referred to the Special Investigations Unit for investigation in accordance with current policy and procedure.

Type of Check to be Issued-

The check will be made out payable to the designated retailer and client with the dollar amount as specified by the client or what's commonly referred to as a two-party check. The check will also have the following redemption rules printed on it to ensure that both the retail clerk and client fully understand their obligations:

- 1- ID must be presented upon redemption.
- 2- No more than \$3.00 back in change.

- 3- Expiration date of the check. (60 days from issuance.)
- 4- No alcohol, tobacco or lottery tickets.

Retailer Participation-

As stated above, the County will make every effort to enlist participation from all retailers of basic needs identified by GR clients. In addition, prior to implementation of the vendor program, the County will offer and seek participation from key retailers that meet basic food/clothing/incidental needs for the County GR population. It is the County's intent to provide GR clients' freedom of choice and reasonable access to providers.

Fair Hearing Requests-

The Department operates the General Relief Vendor Program pursuant to California Welfare and Institutions Code section 17001.5 which provides that a county may provide aid pursuant to WI Section 17000.5 either by cash assistance, in-kind aid, a two-party payment, voucher payment, or check drawn to the order of a third-party provider of services to the recipient. The General Relief Hearing Officer has no jurisdiction over the validity of the General Relief Vendor Program. An applicant/recipient of General Relief reserves the right to request a fair hearing on any action taken on his/her case. The request for hearing must be made no later than thirty (30) days after the initial Notice of Action was given.

Implementation-

Implementation of the Vendor Program will be as follows:

Applicants:

Once this program is implemented any application dated stamped on or after the date of implementation will be subject to the provisions of the GR Vendor Program.

As part of the application process all applicants will be required to complete a GR Grant Allocation Worksheet and a GR Vendor Allocation Worksheet.

Participation in the GR Vendor Program will apply to all applicants for GR starting with the first day this program is implemented. Any person's GR application will be denied that refuses to comply with the provisions of this policy.

Recipients:

Informing of Recipients:

Thirty days prior to program implementation all GR recipients will be provided with Informational Notices to inform them of the new program. The notice will introduce and

explain the GR Vendor Program. In addition, the Informational Notice will explain the phase-in process and when recipients should expect to receive a GR Vendor Notice of Action/Pending Letter requiring that they complete and designate Vendor payments for the following month.

Recipients with Program Aid Codes - Interim Assistance (IA) and Disabled Recipient (DR):

Upon program implementation, all IA or DR recipients will be subject to the provisions of the GR Vendor Program starting with their recertification month. Currently recipients with a category aid code of IA or DR are required to recertify their incapacity every three months.

A GR Vendor Notice of Action/Pending Letter along with all applicable vendor paperwork will be mailed to recipients at least 15 days prior to the first day of their recertification month.

Recipients will have until the last day of their recertification month to provide completed vendor pay information. However, recipients will be pended to complete and return the vendor paperwork within 30 days.

Recipients who return the completed paperwork by the last day of their recertification month will have their GR benefits paid per the provisions of the GR Vendor Program the month following their recertification month.

Recipients not completing and returning the vendor paperwork by the last day of their recertification month will be discontinued the last day of their recertification month for failure to provide essential information.

Discontinuance of aid for failure to provide vendor pay information will comply with established 10-day noticing rules.

Example: A GR recipient with a recertification month of October 2009 will be mailed a GR Vendor Notice of Action/Pending Letter on September 15, 2009. The recipient will be pended to complete and return the vendor paperwork by October 15, 2009. (30 day deadline)

If the recipient fails to provide the required vendor information to the County by October 15, 2009 a Notice of Action discontinuing the recipient's case effective October 31, 2009 must be mailed (per 10-day notice) no later than October 21st. The discontinuance notice will inform the recipient that the proposed discontinuance will be rescinded if the recipient provides the required vendor information by the last day of the recertification month.

If the recipient provides the completed vendor information to the County by October 15, 2009, a Notice of Action will be provided to the recipient stating that

effective November 1, 2009 his or her GR will be paid via Vendor Payments as stipulated by the recipient.

Recipients with Program Aid Code – Unemployed Recipient (UR)

Once this program component is implemented, all UR recipients will be subject to the provisions of the GR Vendor Program starting with any new application for GR benefits or the first month of any granted UR extension.

Change in Program Aid Codes:

Once this program component is implemented, any recipient that experiences a program aid code change will be subject to the GR Vendor Program the first month following the change in aid code with proper 10-day notice.