



COUNTY OF HUMBOLDT

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Title: Provide an Update on the General Relief Vendor Voucher Program, and Rescind the General Relief Vendor Program

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Attachments: 1. Staff Report, 2. 8.25.09 BOS Affirmation of Vendor Voucher Program, 3. GR Resolution 07-51

Date	Ver.	Action By	Action	Result
9/29/2020	1	Board of Supervisors	approved	Pass

To: Board of Supervisors

From: DHHS: Social Services

Agenda Section: Departmental

SUBJECT:

Provide an Update on the General Relief Vendor Voucher Program, and Rescind the General Relief Vendor Program

RECOMMENDATION(S):

That the Board of Supervisors:

1. Receive an update on the General Relief Vendor Voucher Program;
2. Rescind the General Relief Vendor Voucher Program;
3. Authorize issuance of General Relief funds through Electronic Benefit Transfer (EBT) cards;
and
4. Delegate Authority to the Social Services Division to implement any necessary policies regarding the issuance of EBT cards for General Relief funds.

SOURCE OF FUNDING:

General Fund. (Fund 1110 General Relief Budget Unit 525)

DISCUSSION:

The General Relief (GR) Program proposes transitioning issuing GR benefits to clients for living expenses from two-party vendor voucher checks to cash onto an EBT card.

General Relief (GR) has a maximum allotment of \$303 per month, per client. The monthly allotment is broken down as follows:

- Housing - 50.8% - \$153
- Utilities - 5.7% - \$18
- Living Expenses - 43.5% - \$132

GR first issues payment to rental and utility companies as a check directly to the landlord/utility company, next a maximum of \$30 in cash to the customer, and the remainder of the \$303 allotment is issued to vendors that have contracted with the county.

The GR Vendor Voucher Program was affirmed by the Board on Aug. 25, 2009 mandating two-party vouchers to be issued for living expenses with the intent for customers to demonstrate responsibility for their finances. Two-party vouchers are checks written to the customer and a vendor of their choice to meet their needs.

The GR program is responsible for signing on vendors that sell items of basic need for customers to purchase. The vendors must enter into an agreement with the county which includes items that cannot be purchased and a maximum amount of cash-back allowed. GR also allows customers to change which vendors they want their vouchers to be issued to, either before the checks are issued, or by returning unused checks to reissue to another vendor.

Currently, GR has only 15 vendors; 7 of which are small corner stores. There no vendors in Hoopa and only two vendors in Southern Humboldt. Recipients often lack transportation to utilize vouchers, and need to allocate a portion of their benefit towards the transportation to utilize the rest of their vouchers. Current vendors are mostly grocery stores which may not have basic essential items such as underwear, socks, warm blankets and first aid items.

The viability of the vendor voucher program has depended largely upon the programs ability to execute many contracts with retailers that provide basic need items. We have concerns about our ability to meet those needs- though it is not for lack of trying. Corporate retailers have no interest in abiding by the terms of the County Vendor Agreement and locally owned retailers do not want to have a large volume of GR customers in their establishments. Vendors who have terminated their agreements with the GR Program were surveyed on the reason for termination. Reasons include: theft by the customers companions, difficulty in processing vouchers, and customers not following vendor-voucher guidelines. All surveyed vendors reported there was nothing that could have been done by the GR Program to secure the agreement.

To facilitate such an intricate program, a new computer program called GR2 was designed by the county and implemented to issue two-party vouchers for General Relief. GR2 makes issuing checks quick and accurate; however, it does require staff to operate in two separate computer systems (GR2 and C-IV), which can be cumbersome. With each upgrade in Windows operating systems, GR2 is becoming more difficult to maintain. C-IV is the state standard system for issuing CalFresh, CalWORKs and Medi-Cal programs. Transitioning to C-IV for GR under the current vendor-voucher program will be intensive and issuing two-party checks is not supported. Using the financial impact data from November 2018, if we transitioned to C-IV under the current vendor-voucher program we

can anticipate spending over \$120,000 to issue \$32,000 in vouchers per month. C-IV allows for easy issuance of benefits onto the EBT card.

Issuing GR benefits onto an EBT card through C-IV can save the county approximately \$96,000 a year in staff time (See Financial Impact section for details). If this proposal is adopted it would allow staff to reallocate their time to other federally funded programs such as CalFresh or Medi-Cal, which are currently understaffed.

The EBT card also has a safeguard to encourage responsible spending. This safeguard includes not allowing customers to withdrawal funds at gambling establishments or adult venues.

There are currently only three counties, including Humboldt, that still utilize vendor vouchers. Fifty-one counties issue GR benefits directly onto the EBT card. Four counties issue one check directly to the customer.

In light of COVID-19 it is also important to mention that transitioning to EBT will help reduce foot-traffic to the Social Service office, because there will no longer be a need to come in to the office pick up, re-issue, or exchange vouchers. Thus, encouraging social distancing and reducing potential exposure to COVID-19.

The current General Relief Resolution (Resolution No. 07-51) and Welfare & Institution Code supports this proposal.

- Welfare & Institution Code 17001.5 (c) further states, “A county may provide aid pursuant to 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. Nothing shall restrict a county from providing more than one method of aid to an individual recipient.
- Article I, Section E(1) of the current General Relief Resolution states, “Aid issued to applicants/recipients eligible for General Relief shall be issued by voucher, in kind, or by check or cash, as deemed appropriate by the Department.”

In conclusion, the GR program requests to transition from the use of two-party vendor voucher checks to EBT, in order to increase customer choice, reduce potential barriers for customers, streamline services, increase safety, and save the county money.

FINANCIAL IMPACT:

The original Board Agenda Item, from Aug. 25, 2009, for the General Relief Vendor Voucher program listed that there were no financial impacts to the county. After 10 years of implementing the program, staff have realized that is not the case.

In the month of November 2018:

- A total of 195 staff hours were spent on the Vendor Voucher program:
 - Explaining program to applicants and choosing allocations: 62 hours
 - Reallocating returned checks: 51 hours

- Allocating benefits in GR2 system: 30 hours
- Office visits from customers regarding allocation changes/returning checks: 42 hours
- Reallocations from office visits: 10 hours
- A total of \$870 in stop payment fees were paid

In November 2018, the county spent over \$8,000 in staff time and fees to issue \$32,000 in vouchers. Using this data month, the approximate annual cost of the vendor voucher program comes to \$96,000, all of which is supported by General Fund dollars via the General Relief Budget Unit 1100-525.

Accordingly, it is the recommendation of the General Relief Program to eliminate the Vendor Voucher Program and adopt the recommended actions.

STRATEGIC FRAMEWORK:

This action supports the Board's Strategic Framework by managing our resources to ensure sustainability of services and protecting vulnerable populations.

OTHER AGENCY INVOLVEMENT:

None.

ALTERNATIVES TO STAFF RECOMMENDATIONS:

The Board could choose not to rescind the General Relief Vendor Voucher Program; however, the County may experience increased administrative costs in maintaining the GR2 system or issuing two party check through the C-IV system. The county will not experience any savings in staff time and customers will continue to be faced with additional hardships and barriers as the number of vendors continue to decline.

ATTACHMENTS:

1. Board Agenda Item - General Relief Vendor Program. Meeting: Aug. 25, 2009
2. General Relief Resolution (Resolution No. 07-51)

PREVIOUS ACTION/REFERRAL:

Board Order No.: B-2

Meeting of: 08/25/09

File No.: 20-1134