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John Wagner, CDSS Director
Testimony Before the Assembly Committee on Housing & Community Development
Informational Hearing on Homelessness
February 9, 2010

Chair person Torres and members of the Assembly Committee on Housing and Community Development:

My name is John Wagner, the Director of the CA Department of Social Services.

First of all, thank you for having this hearing. It is always great to hear from Dennis Culhane whose research has significantly informed and changed the way we look at homeless across this country. It's also good to be here with the new Executive Director of the U.S. Interagency Council on Homelessness. My Department has partnered with the U.S. Interagency Council in the past couple of years on a number of important initiatives we've first implemented here in California and have had national impact. I'll mention some of them in a moment, and it's always good to be with my colleagues from state government.

As we are all aware, this economic recession is having a devastating effect on families all across California.

Though DSS is not typically thought of as the Department for serving the homeless, we do have many important mainstream "safety net" programs to support low-income families and individuals. Over the course of the last couple of years, the Department has endeavored to ensure homeless families and individuals have access to our mainstream benefits. And, in some cases, we've launched specific innovations to target homeless populations.

I plan to focus my brief remarks on four programmatic areas: (1) our cash assistance program for low-income families called CalWORKs; (2) the Food Stamp program; (3) our child welfare services; and finally (4) the services provided by our disability determination division.

Our major cash assistance program for families needing temporary assistance is the **California Work Opportunity and Responsibility to Kids or CalWORKs Program**. CalWORKs serves approximately 545,000 families (1.34 million persons) and this year's proposed budget is $5.3 billion.

CalWORKs provides temporary cash assistance to families as well as work activities and supports so that the parents can ultimately leave welfare dependence through employment. Work supports include unsubsidized and subsidized employment, adult basic education, vocational education training as well as child care and transportation.

In addition to those services, the CalWORKs Homeless Assistance Program (HAP) provides a payment to meet some of the costs of obtaining permanent housing, or temporary shelter while seeking permanent housing. Families are eligible to receive assistance once-in-a-lifetime, with some exceptions.

There are on average 4,040 temporary and permanent CalWORKs cases per month receiving homeless assistance. For SFY 2008/09, there were a total of 48,486 cases at a cost of $36.6 million.

Temporary shelter payments are $65 per day for up to 16 days for a family of four or fewer. (An additional $15 is added for each additional family member, up to a maximum of $125 daily.) And payments are available for families who receive a notice to pay or quit, and payments can be made for up to two months for rent owed.

With the enactment of the American Reinvestment Recovery Act (ARRA), we have another potential source of assistance to respond to the threat of homelessness with the federal dollars made available under the Temporary Assistance for Needy Families Emergency Contingency Funds. These TANF ECF dollars are funding cash aid for CalWORKs families and providing jobs to many of our state's needy families.

Under ARRA, states are eligible for TANF ECF in federal fiscal years 2009 and 2010. The funding is to cover three areas:

- Increased basic assistance associated with an increased TANF caseload.
- Increased funding for subsidized employment
- Increased funding for non-recurrent short-term benefits (NSTB)

Nationwide TANF ECF is capped at $5 billion dollars of which California is potentially eligible for up to $1.8 billion. Families currently receiving CalWORKs are eligible for ECF funding as well as certain families with annual income of less the 200 percent of the federal poverty level.

The CDSS has been aggressive in efforts to bring ECF into California working with our county partners, since the federal allocations are on a first-come, first-serve basis. In fact, we were the first state to submit our federal request for ECF funds.

Currently, over $200 million of these ARRA ECF funds are estimated to be spent on bringing on line 15,000 subsidized jobs with public and private employers. Currently over 11,000 of these positions are filled across California—providing jobs to low-income individuals and families during this difficult economic time.

As mentioned, another category of allowable expenditures are non-recurrent short-term benefits, which are described as non-assistance activities or payments that deal with a specific crisis situation or episode of need; are not intended to meet recurrent or ongoing needs, and will not extend beyond four months.

CDSS is working with Counties interested in exploring non-recurrent short-term benefits to provide or expand housing assistance, including such items as relocation benefits, moving assistance, short-term rental assistance, and other benefits.

The second mainstream program I'd like to mention is **California's Food Stamp program**, renamed nationally as the Supplemental Nutritional Assistance Program or SNAP.

Of course regular Food Stamps continue to be an important nutritional support for homeless individuals and families and we've undertaken many efforts over the past two years to expand participation in our state program. In addition, California is one of only four states in the nation to offer something called the Restaurant Meals Program as part of Food Stamps. RMP is targeted specifically to those populations who do not have easy access to cooking facilities or who may be unable to prepare meals—typically the homeless, the elderly or the disabled.

The state offers the Restaurant Meals Program as an option to counties, enabling these individuals to use their benefits or EBT card at participating restaurants to purchase food. Five counties operate this program, covering over 40% of our food stamp caseload. Over this past year (Oct. 08 to Oct. 09) utilization of RMP benefits has increased 175% and over 23,000 households participate in this program each and every month.

The third area to highlight is that of Child Welfare Services. Research has shown that youth who have experienced **foster care** are a significant contributor to the homeless population and the Department has undertaken several important efforts to ensure more foster youths successfully transition out of foster care.

Each year in California, approximately 4,500 youths "age out" of foster care when they reach their 18th birthday. Many of these youths exit their foster home or facility with little or no income or assets and without access to benefits to which they may be potentially eligible for including food stamps.

CDSS has been working on a plan to provide emancipating youth with a streamlined process to ensure that they have the opportunity to participate in the FSP to help in the difficult transition from foster care to independent living.

CDSS phased in a number of proposals to assist these foster youth. Phase One of our efforts was launched June 16 encouraging county welfare departments to use existing mandated foster care interview opportunities to enroll these youths in the food stamp program prior to their exiting a foster home. This process was intended to increase the

likelihood that emancipating youth become aware of benefits to which they may be entitled, and to get them enrolled before they are out on their own.

In Phase 2, we are scheduled to submit a demonstration project per AB 719, signed into law in October 2009. AB 719 requires the Department to submit a demonstration project to USDA making food stamp benefits more accessible to youths who are transitioning out of foster care. Federal approval of the demonstration project will assist CDSS in providing critical assistance to many of these vulnerable youths during the transition into independent living.

The proposal is near completion and will include a streamlining of the application process, total disregard of income and assets and include a longer certification for these important benefits.

One final noteworthy effort spearheaded by the Department involved changing the way the federal Social Security Administration allowed disabled foster children to apply for federal Supplemental Security Income (or SSI) benefits. Under previous federal policy, youth in foster care were not allowed to apply for these important benefits until a month before they turned 18 and would transition out of foster care. Given the typical eligibility determination process can take over 6 months, this guaranteed that disabled foster youth would leave care without this important source of income...again, certainly fueling the homeless population.

With the passage of AB 1331, the Department worked with stakeholders and the Social Security Administration directly to change this policy. We secured federal agreement to allow foster youth to apply much earlier, well before they age out of foster care. California was the first state to untangle and change this policy and I'm happy to report that just last month, SSA changed their policy manual now covering all foster youth across the U.S.

When it comes to transitioning youth, both the Administration and Legislature have provided significant resources to the Transitional Housing Placement Program (THPP) and the Transitional Housing Program Plus (THP-Plus), offering transitioning and transitioned foster youth housing and other supports that further their prospects for successful independent living and positive educational and employment outcomes. THPP provides $13.8 million in the current year to support emancipated youth in 31 counties (counties bear 60% of the cost). In addition, THP-Plus is currently funded at $35.8 million—all at full state cost—providing supports to approximately 1,200 older youth in 52 counties.

The fourth and final DSS program I'd like to mention, related to the success listed above, is the work of our **Disability Determination Services Division**.

DDSD is the state entity that contracts with the Social Security Administration to conduct the consultative and medical exams used to determine disability for federal (and some state) programs. In 2007, DSS created a pilot called the Cooperative

Homeless Office-Initiated Consultative Examination (or CHOICE) project. This pilot was expanded statewide the following year. CHOICE provides a streamlined and coordinated process targeted to homeless individuals who come into a local SSA office to begin their application for federal disability benefits. The purpose is to expedite medical exams for homeless applicants. Each regional branch has developed a partnership with at least one of the SSA field offices that service the branch.

DDSD has thirteen regional branches. Each has activities designed to assist homeless individuals who file for Social Security Disability Insurance (SSDI)) or (Supplemental Security (SSI)) disability benefits.

Though there are other areas of work I think these four areas provide important, tangible examples of the work underway within the Department as we seek to implement components of the blueprint as provided by the state's 10-year Plan to End Homelessness.

Like our sister departments here today, we are all struggling to implement improvements given the dire fiscal environment in which we are all operating and implementing these improvements.

I look forward to continuing to work with my colleagues, with you the Legislature, and our county and stakeholder partners all of whom have a role in our response to managing and eventually ending homelessness in California.

Thank you.