



# California Budget Cuts: **Impacts** on Merced County



Presented by,  
**Merced County Human Service Agency**

Prepared for:  
How Safe is the Safety Net?  
California Working Families Webinar  
August 20, 2009

California Center for Research on Women and Families  
CCRWF

# Merced County

- Population 250,000
- Rural
- Ethnically diverse
- 32% have less than a high school diploma
- Young
- High teen pregnancy rate – 51<sup>st</sup> out of 58 counties
- 19% Unemployment
- Many business closures in last 2 years
- One of highest foreclosure rates in nation
- \$23,182 per capita personal income
- One of the highest per capita welfare populations in the state
- Every month we provide services and assistance to 35% of the population

# 109 Positions Eliminated

(since May 2009)

- In less than a year we went from 624 to 515 staff. (17.5%)
- 38 CalWORKs Workers
- 4 CalWORKs Supervisors
- 1 PEU Supervisor-CalWORKs/IHSS
- 2 CalWORKs Program Managers
- 1 Social Services Program Worker
- 8 Social Workers Aides
- 1 Social Services Program Administrator
- 17 Social Workers
- 1 Deputy Director
- 1 Social Worker Supervisor
- 35 Other Program Support Staff

# Reduction of Nearly \$3 Million in Direct Service Payments to Clients

Supportive Services to CalWORKs Clients				
	From	To	Cut	Percent
Child Care	\$3.8 mil.	\$2.3 mil.	\$1.5 mil.	
Transportation	\$1.7 mil.	\$700,000	\$1 mil.	
Ancillary	\$430,000	\$70,000	\$360,000	
<b>Sub-Total</b>	<b>\$5.9 mil.</b>	<b>\$3.1 mil.</b>	<b>\$2.8 mil.</b>	<b>48%</b>
Child Welfare				
	From	To	Cut	Percent
<b>Sub-Total</b>	<b>\$490,000</b>	<b>\$427,000</b>	<b>\$63,000</b>	<b>13%</b>

# Eliminated or Reduced Service Provider Contracts

Cuts of about \$5 million to contracts with community agencies and businesses that provided support to clients for Child Welfare and CalWORKs related activities, including:

- Home Visitors for Child Welfare Cases
- Transitional Planning
- Family Group Decision Making
- Family Counselors
- Law Enforcement Support for Social Workers
- Foster Parent Support
- Mental Health
- AOD Support for CWS Clients
- AOD Support for CalWORKS Clients
- Public Health Nurse Support for Clients
- Treatment for Batterers
- Domestic Violence Counseling
- Central Valley Occupational Center
- Merced College ILP/EVS
- Linkages-AAA
- Child Immunization
- Merced College CalWORKs
- Welfare-to-Work Support for Spanish Speaking Clients
- Welfare-to-Work Support for Hmong Speaking Clients
- Department of Workforce Investment
- Adult School
- Regional Occupational Program
- Brown Bag
- Adult Day Care
- Senior Companion
- Anti Fraud
- Overpayment Collection Efforts
- K-9 Academy Therapy
- Continuing Care

# IHSS/Public Authority Reductions



- 57% reduction to funding
- 10% of client hours cut
- Legal requirements have not been reduced, more have been added
  - Orientation
  - Training
  - Fingerprinting / Live Scan
  - Background Checks
  - New Provider Enrollment
  - Noticing
- **Local Impact**
  - 600 vulnerable adults will be eliminated from services
  - Paramedical services for four children with high needs will be eliminated.  
Paramedical services include invasive medical procedures; catheterization, colostomy care, enemas, ostomy care, wound care, tube feedings, glucose checks, and injections
  - 10 children who receive protective supervision services will be eliminated.  
Protective supervision provides service hours for persons who are non-self directing, confused, or mentally impaired against injury, hazard, or accident

# Case Load Increases

June 2007	June 2009
Welfare-to-Work	19.5%
CalWORKs Cases	14%
Food Stamps	47%
IHSS	14%
Child Welfare: Referrals	10%
Child Welfare: Detentions	9%

# Child Welfare Services



- Estimated \$1.3 million State/Federal revenues lost to an already under-funded program
- Will force a move from 100% investigation of same-day referrals to triage
  - Immediates
  - 3-day
  - 10-day
- Fewer services to clients
- No transportation
- Decreased level of oversight
- Loss of best practice programs
- Loss of administrative capacity



# Waste, Fraud and Abuse Rhetoric vs. Reality CaIWORKs

## **Rhetoric**

78% of the 525,000 cases involved in Cash Assistance are not working, not looking for work, not seeking job training, not performing community service, and not pursuing an education (op Ed, 7-3-09, Los Angeles Times)

## **Local Reality**

- 19% unemployment rate makes it hard to find work
- 26% of our families are working 2 and 3 part-time jobs at low wages and are still able to qualify for cash aid
- 65% of WTW population is participating but do not meet Federal participation rate

# Waste, Fraud and Abuse Rhetoric vs. Reality

## IHSS

### Rhetoric

Care providers are able to collect state checks under aliases, and some bill for more hours than needed – with no oversight. (op Ed 7-3-09, Los Angeles Times)

### Local Reality

- Dedicated Quality Assurance staff perform case reviews and conduct home visits to ensure program integrity
- IHSS providers must complete an enrollment process that requires a valid social security number and criminal background check
- Timesheets are signed by both the consumer and provider verifying that services were rendered
- Services hours can never exceed the amount authorized
- New technology system, CMIPS II, to be launched in 2010 will add additional tools to combat fraud
- 24,000 total cases were reviewed by Quality Assurance and only 2% were referred for fraud investigation.

# Lost Economic Infusion into County

Programs	\$3 Million
Contracts	\$5 Million
Salaries	\$9.3 Million
<b>Total:</b>	<b>\$17.3 Million</b>

# Biography: **Ana Pagan**



**Ana Pagan** is the Director of the Merced County Human Services Agency. She is the President of the National Staff Development and Training Association (NSDTA). She serves on the American Public Human Services (APHSA) Presidents Council. She is chair of the C-IV Joint Powers Authority (JPA) Board. She also serves on numerous local boards and State committees including the California Welfare Directors Association (CWDA).

Ms. Pagan is an anthropologist who earned her Masters from the University of San Francisco in Human Resources Management and Organizational Development.