

Leaner and Meaner: Getting Through Tough Economic Times



Sacramento, CA

Provider Background

Lutheran Social Services of Northern California (LSS) has been serving clients for 125 years, and is a well-established provider of a broad range of housing and services in Sacramento, California, supporting homeless youth, individuals, and families in overcoming the barriers they face and in achieving stability and self-sufficiency.

LSS focuses primarily on housing and engages several housing strategies. In Sacramento, LSS operates five transitional and supportive housing programs for transition-age youth (primarily youth aging out of foster care), permanent supportive housing for families and individuals with disabilities, and supportive services for vulnerable populations. LSS targets transition-age youth, individuals, families, and the chronically homeless.

Community in Context

The unemployment rate in March 2010 for Sacramento County was 12.9 percent (This compares with an unadjusted unemployment rate of 12.8 percent for California and 10.4 percent for the nation during the same period.) The County has made huge budget cuts and many state workers are suffering the effects of involuntary furloughs. Sacramento County is currently planning to cut hundreds of county jobs, the bulk of which are in the health and social services.

One of the epicenters of the recent housing boom and subsequent crash, in late 2009 Sacramento had the 10th-highest foreclosure rate in the country.

Sacramento County has to fill a \$120 million budget gap in the coming fiscal year. In fiscal year 2007-2008, Sacramento's general fund was at \$36 million; the fiscal year 2009-2010 general fund contains \$9.6 million and is facing up to a possible \$7million more in

cuts that will almost entirely eliminate county homeless services and the Department of Human Assistance. General Assistance (GA) payments have been drastically reduced, Child Protective Services are facing cuts of 200 positions, and Sacramento County has eliminated its winter shelter and many other homeless services. The County is looking to have non-profits take over some of those much-needed services.

Sacramento's several tent cities have been a major media focus over the past year. The city government has been negotiating plans for a campground with basic services like water and garbage pickup where people experiencing homelessness can stay temporarily.

Economic Impact

Like many agencies, Lutheran Social Services of Sacramento is experiencing increased demand for housing and services. Demand has increased both among people currently experiencing homelessness and those on the verge of losing their housing. Much of the increased service-seeking population is county and state workers who have been laid off or furloughed.

Many people barely making ends meet before the pinch of the recession now are being thrust into homelessness.

Last summer, because of proposed general fund cuts, LSS feared that it would have to close seven programs, which together provide housing for 700 people. Fortunately, LSS has been granted a temporary reprieve, and most housing programs are still operating.

Under Sacramento County Charter Section 71J, which applies to certain county contracts, county employees that have been laid off are eligible for certain positions at contracted agencies.

In addition to the many common struggles LSS is experiencing as a result of the recession, LSS is facing a more unusual problem. LSS has one contract with Sacramento County to which Section 71J applies; 3 of LSS' case managers and one other position have been replaced by former county employees, and LSS has had to either lay off or move former staff to different positions. LSS is struggling to serve an increased population with decreased funding and inexperienced staff, but is thankful that not all of its programs are subject to Section 71J.

As of the end of 2009, LSS has been able to offer all of the services it was hoping to provide in last year's HUD Continuum of Care Homeless Assistance grant application, and Deputy Director Sue Laliberte estimates that LSS has actually exceeded their HUD goals, thanks to some strategic planning.

Current Funding

Approximately 80 percent of LSS' funding for Sacramento operations comes from the federal Department of Housing and Urban Development (HUD).

HUD grants fund three of LSS' five housing programs for transition-age youth, a permanent

supportive housing program, and one supportive services project. LSS in part satisfies the match requirements of HUD grants with funding from Sacramento's general fund, which has recently been almost entirely slashed. (LSS also receives some Tax Increment Financing funds to meet match requirements.) Thus, because they might not be able to meet their match requirements, their HUD funding is greatly in jeopardy.

Stimulus Funding

LSS was granted Homeless Prevention and Rapid Re-Housing funding, and is honored to be a partner in a program that allows a rare opportunity to promote systems change by rapidly rehousing the homeless and also proactively preventing future homelessness. LSS is also committed to finding the match necessary to secure up to \$2 million from the Temporary Aid to Needy Families Emergency Contingency Fund.

Solutions

LSS invested in hiring an employment specialist instead of contracting outside of the agency and has seen a drastic improvement in the employment rate of their youth population: 65% of their youth clients are now employed.

LSS has explored some cost-effective ways to continue providing effective services to its clients in leaner times. LSS has also sent two staff members to an SSI/SSDI Outreach, Access, and Recovery (SOAR) training, and consequently has achieved a 100 percent success rate in SSI applications.

LSS is also trying to diversify its funding stream by holding fundraisers to raise awareness about the state of homelessness and homeless services. Though LSS' biggest fundraiser, featuring Garrison Keeler, was unfortunately cancelled, LSS has found that many of the event's sponsors are continuing to give.

LSS is exploring new ways to successfully lobby its local government representatives to maintain homelessness funding. LSS is working with former foster youth and families to become their own advocates, speaking on their own behalf at Board of Supervisors meetings. LSS has discovered that putting a human face on the clients whose services are jeopardized makes it more difficult for decision-makers to dismiss their needs. Ms. Laliberte has also found that the most effective advocacy does not focus on grievances, but rather on the positive effects of homeless assistance programs and what the community stands to lose without them.

LSS has "become leaner and meaner" in its operations, according to Ms. Laliberte.

For the past couple of years, LSS has tried to consolidate its administrative operations to reduce spending. Also, LSS is now a property owner, thanks to the offers of several Lutheran churches that have closed their doors and offered their properties.

Finally, LSS has focused on developing an effective Board of Directors. LSS' strategy is to create a Board that can fundraise by engaging the community's interest and raising awareness.