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COVER STORY

LA County reaches \$7.9M settlement deal over aid to poor

By Sarah Parvini
Daily Journal Staff Writer

A coalition of advocates for poor local communities is set to announce a \$7.9 million settlement agreement with Los Angeles County on Tuesday that will institute structural reform in the general relief program and pay back aid that was prematurely terminated for tens of thousands of people.

General relief, a loan program mandated by state law and implemented by counties, provides up to \$221 per month in cash to help L.A.'s at-risk communities. The aid pays for things such as food, medicine or shelter for as many as 9 months per year to those with less than \$50 in assets. Many who are enrolled in the program are homeless and live on Skid Row in downtown Los Angeles.

If approved by the court, the deal would establish a settlement fund to pay damages to people whose benefits were improperly limited or cut off after January 2010. Amounts of up to \$171 will be awarded on a sliding scale, based on the number of times a recipient was improperly sanctioned or terminated from the program.

"People who have next to nothing will now have a little," said Daniel Grunfeld of Morgan, Lewis & Bockius LLP, who led negotiations. "More importantly, they will also have the due process guarantees that apply to everyone in our country."

Negotiations lasted 15 months between 19 attorneys and the county, which was represented by Assistant County Counsel Lianne J. Edmonds.

Los Angeles County's general relief program ran into problems in 2008, when a host of people hit hardest by the recession began



Courtesy of Morgan, Lewis & Bockius LLP

From left, Daniel Grunfeld, Chris Vargas, Amos Hartston, Erin Darling, Esther Ro, David Cox and Lisa Veasman spent 15 months negotiating a settlement with L.A. County over its general relief program. All are attorneys at Morgan Lewis, except Hartston, an attorney at Inner City Law Center, and Erin Darling, an attorney with Public Counsel.

applying for aid. According to the county, the average monthly caseload has steadily grown from 58,599 in fiscal 2006-07 to a peak of 113,334 during fiscal 2011-12 — a rise of 93 percent. In January, the most recent month for which data is available, 8,807 new general relief cases were approved.

"This doesn't mean that people on general relief are newly unemployed," said Gary Blasi, a professor at the UCLA School of Law who helped draft the agreement. "Often it means that a friend or relative on whom they were depending for survival is newly unemployed and can no longer help support them."

The rise in demand had a devastating financial impact on the county's funds for the program, and plaintiffs' attorneys allege the county began terminating aid around 2010, despite state laws prohibiting such actions. California's Welfare and Institutions Code states that all general relief recipients are entitled to aid for at least 3 months. Los

Angeles County allegedly tabulated sanctions — for things as simple as being late to an appointment because the bus was late — during that safe-harbor period, then refused to pay recipients properly.

"Without the basic level of security provided by general relief cash aid, extremely vulnerable Angelenos lose the opportunity to get back on their feet," said Erin R. Darling of pro bono law firm Public Counsel.

Attorneys also allege the county violated participants' due process rights. Aid recipients are constitutionally entitled to a hearing and a notice explaining how and when they violated county Department of Public Social Service regulations. Attorneys say these rights were violated because aid recipients often didn't receive their notices or a chance to appeal.

The county made no distinction among the reasons for recipients' violations, be it good cause, negligence or willful refusal, an issue that led to tensions in the settlement

negotiating process, Grunfeld said.

"The negotiations over meaningful appeal rights and what constitutes willful conduct for sanctions purposes were tough battles," he said.

In addition to securing relief for those impacted by the violations, Grunfeld and his team negotiated structural changes to the program. Among these are improvements to how the county delivers notices of hearings to general relief enrollees, an agreement to adhere to the 3-month grace period mandated by state law, and the Department of Public Social Services' ending its policy of giving a reduced grant amount to participants who share housing with other people.

General relief programs have been criticized for being inconsistent because the amount of aid varies by county.

In San Francisco, a controversial program called "Care not Cash" cuts the money given in general assistance programs in exchange for shelters and other services. In Santa Barbara, aid is capped at \$300 per person, while in Ventura the figure is \$310, according to officials. The \$221 that Los Angeles pays out has not changed in 30 years. General relief in Orange County rose to \$333 per month last month, up from \$317 in previous years, following a 2012 class action alleging the county "systematically and unlawfully denied or discouraged" people eligible for the program, according to the complaint.

"Both the Orange County program and L.A.'s will set the tone for how these programs will work in the future," said Nicole Esparza, an expert in urban inequality at the University of Southern California. "There should of course be better accountability. I'm glad they might give the money back."