Nonprofits are bracing for new delays, loss of funding

By Kathleen Wilson (Contact)
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The frustration is palpable.

Nonprofit agencies aiding victims of family violence struggled for months in the wake of state budget delays last summer, with payments still trickling in just before the holidays. Now they are bracing for the possibility of more setbacks with the spending cuts Gov. Arnold Schwarzenegger is seeking over the next year and a half.

"You're talking about financial stress due to late payments and now the specter of reductions," said Erik Sternad, executive director of the Interface agency in Camarillo.

He predicted cutbacks in services to battered women and child abuse victims if the state cuts funding by 10 percent across the board.

Cherie Duval, CEO of the Coalition to End Family Violence in Oxnard, said she was not prepared to discuss the ramifications until she met with her board of directors. But late last year, Duval laid off five workers as a precautionary measure with payments lagging and state officials warning of worse to come.

Duval said Tuesday she was working on a comprehensive plan to avoid cutbacks in services. They are already being pared, though. This week, the coalition informed the District Attorney's Office that it will have to stop providing instruction in two weekly classes offered to victims seeking restraining orders.

"We consider it a vital service, and we will do everything possible to continue that service," said Catherine Duggan, director of crime victims assistance in the District Attorney's Office.

A spokeswoman for Duval said the coalition will still be providing 80 percent of the services it has offered at the District Attorney's Office, including instruction and legal assistance.

Sharing the pain

State officials said they are trying to spread the pain equitably by seeking 10 percent reductions in all department budgets for 2008-09. But Sternad and county human services chief Ted Myers are questioning whether that's really fair when social programs have sustained heavy cuts in the past.

"It just raises the question of what the priority is for the state — whether responding to those in the community who are most vulnerable, whether that really is a priority for California or not," Sternad said.

The state Department of Social Services' budget has grown by less than 9 percent over the past four years, while corrections has grown by 74 percent, public schools by 41 percent and healthcare by 45 percent, Myers said. The social services chief said the budget proposal, if passed by the Legislature, would mean cutting back the number of social workers investigating and monitoring child abuse cases by 10 percent in Ventura County.
Sternad said the two-month delay in passage of the state budget — it was not signed until Aug. 24 after a stalemate in the Senate — created a large cash-flow issue. Interface was not paid until mid-December for work completed June 30, he said. Unlike large government agencies that are owed money, nonprofits operate on much smaller margins and often are forced to borrow or ramp up fundraising to cover the gaps.

"We're not a rich organization that has deep pockets to turn to. They have paid us almost half a year after services completed, so we were floating the state for 5 1/2 months," Sternad said.

Agencies hope to avoid cuts

Early this week, Legislative Analyst Elizabeth Hill joined the chorus of officials complaining that across-the-board cuts were unwise, comparing it to a household that equally cut back spending in "housing, dining out, new clothes and getting some Netflix movies."

Advocates for education and parks are arguing they should be spared the 10 percent cutback as well because of funding slices they have taken in the past. But the administration says the approach prevents wholesale gutting of programs in the fiscal crisis.

"I understand those concerns, but again stepping back, we have to close a $14.5 billion budget gap," said H.D. Palmer, spokesman for the state Department of Finance.

State officials acknowledge that payments to some shelters have been running late. Normally, agencies can expect payment two to three months after submitting invoices, but some agencies that filed invoices in July were not paid until just before the holidays, state public health officials said.

They pin that on the legislative delay in passing the current year's budget, as well as a reorganization in health services.

Under the budget proposal for next year, more than $2.2 million would be lost in state health funding for domestic violence services out of a budget of $22 million. Advocates said an additional $11 million has been cut in federal funding for crime victims.

State officials hope to minimize the damage by protecting hotlines and shelters.

"We're going to work very closely with shelters to identify areas where we can maintain core critical services and still maintain the 10 percent reduction," said Catherine Camacho, an administrator in the state Department of Public Health.

But one advocate said victims would be less likely to turn to shelters.

Marivic Mabanag, executive director of the California Partnership to End Domestic Violence, said, "Our most vulnerable communities should not be a target."
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