



ERIC GARCETTI
MAYOR

October 7, 2020

Honorable Nury Martinez, Chairperson
Ad Hoc Covid-19 Recovery And Neighborhood Investment Committee
Council District 6
200 N Spring St, Suite 470
Los Angeles, CA 90012

**AD HOC COVID-19 RECOVERY AND NEIGHBORHOOD INVESTMENT COMMITTEE -
CF#20-0862 AMENDED 9/15/20 SENIOR MEALS PROGRAMS RESPONSE TO
PANDEMIC**

As instructed by the City Council in CF No. 20-0862 as amended on September 15, 2020, the Los Angeles Department of Aging (LADOA) is submitting the additional information as requested.

FEMA extended the Great Plates Program from September 9, 2020 by 30 days to October 9, 2020. City Council approved the continuation of the Mayor's Senior Meals Emergency Response Program/Great Plates Program to the end of October. An additional amount of \$23,114,760 is needed for the seven and a half week period from September 10, 2020 to October 31, 2020 to pay contractors until FEMA and the State reimburses 75% and 18.5% respectively of the program costs.

The funding necessary to maintain service levels under the Mayor's Emergency Senior Meals Program for the nine week period from November 1, 2020 to December 31, 2020 is \$27,737,712. The funds would provide 21,704 seniors with ten meals per week delivered to their homes. The average cost per senior is \$142 per week based on \$13/meal x 10 meals/week + \$6/delivery x 2/week.

New Enrollment Period for Low-Income Seniors and Additional Restaurants

The opening of enrollment for the Mayor's Senior Meals Emergency Response Program will require additional funding at the rate of \$142 per senior per week. This rate is based on the average cost under the current contractual agreements with the restaurants and taxi companies. LADOA does not have a waiting list, but as noted in the department's previous report the need is high and by conducting outreach, identifying an additional 2,000 seniors is a realistic target. If this expansion were to be implemented at the beginning of November, an additional \$2,556,000 in funding for the nine weeks from November 1st to December 31st to serve 2,000 new seniors. The number of restaurants will be subject to the minimum of number

of meals needed to be viable for their business. Restaurants selected by the Council District should include this information for planning purposes.

LADOA would need support to implement the additional enrollment with conducting outreach in late October, such as with reconstituting the enrollment phone bank with Disaster Service Workers to handle the calls and assist with registering into the CRM software. LADOA will not be able to handle the volume of calls especially with the inability to utilize overtime, existing vacancies, furloughed staff and planned retirements department-wide.

The existing CRM software used to screen, register, match seniors to restaurants, and track services will have to be modified by ITA to accept low income seniors (as it was designed to enroll seniors using the Great Plates criteria). Furthermore, modifications made will be needed to track those non-eligible seniors so that invoicing is clearly separated between FEMA and non-FEMA meal and transportation costs. Although new applications can be reviewed for eligibility and manual overrides applied to each eligible application, the contractors will not be able to tell which meals and deliveries are for FEMA and non-FEMA clients.

Also, the LADOA will not be able to continue this program without basic staffing resources. This program has required 1.5 FTE Management Analysts for program and contracts administration and 3 FTEs in accounting staff to manage fiscal accounts and process invoices. Currently, the department is paying for three 120-day hires from the City Controller's Office and their hours will be exhausted shortly after the end of October. Additionally, the funding necessary to pay for these temporary staff was never provided to the department. The budget reductions to the department's general funds in the adopted FY20-21 department budget and the current 3% reduction will not permit continued support of this unfunded administrative activity. The temporary staffing is insufficient to handle the amount of the existing invoice processing workload and increasing the number of restaurants will increase the wait time for the contractors to receive payment.

Alternative Models

Consolidation of Restaurant Contractors and Reductions of Deliveries

The funding of the program only covers two cost components: meals and delivery. To increase efficiency, meal production would have to be centralized. Having fewer restaurants that have larger production capacity would achieve economies of scale to bring down the current average price of \$13 per meal. However, this would be contrary to the Great Plates Program goal of providing economic support to local businesses by excluding small businesses.

To increase efficiency in the meal delivery cost component, the program could reduce the number of deliveries to each location. The taxi companies are paid \$6 per delivery to each address along with an administrative fee and are making deliveries of five meals twice per week. To accommodate a reduction to only one delivery per week requires that seniors can refrigerate ten meals upon delivery. This will cause storage and spoilage problems. This would also cut taxi drivers earning in half. In addition, the department is exploring increasing its pool of meal delivery vendors to provide the city with options for efficient delivery.

Food Boxes and Centralized Delivery

Another alternative program model would be to provide new eligible senior participants with food boxes of groceries instead of meals. A possible model would be to implement a program to partner with the Los Angeles Regional Food Bank and other local food banks or pantry programs to pick up, sort and deliver food boxes. The shelf-stable groceries will be less of a refrigeration issue. The Los Angeles Regional Food Bank already works with some of the department's senior services contractors and if they can accommodate an additional 2,000 seniors then a delivery system needs to be implemented. The delivery resources needed would include 10 cargo vans, ten full time drivers, a dispatcher/coordinator, to deliver food boxes to 400 seniors each weekday for a total of 2,000 seniors. Given the projected resource needs, this option may be more in line with being cost neutral.

The Department of Aging appreciates the support of Mayor and Council during such difficult times and continues to strive to ensure that our services and program are cost effective, efficient and impactful,

Sincerely,



LAURA TREJO, MPA, MSG
General Manager

LT:JD:COVID 19 CF20-0862 Amended 9-15-20 Reportback

Attachment

cc: City Administrative Officer
Chief Legislative Analyst

Attachment
CF20-0862 Amended 9-15-20 Reportback

Adjusting the numbers to reflect the recent FEMA extension to October 9th, the revised cost is \$37,265,768 for the 12 weeks from Oct 10-Dec 31.

Breakdown below:

Number of clients as of August 24, 2020: 21,704

Meal costs per meal: \$13

Delivery cost per meal box of 5 meals (\$6/\$9) \$6

Weekly costs per senior: \$142 = $((\$13/\text{meal} \times 10) + (\$6/\text{delivery} \times 2))$

Weekly cost - total \$3,081,968

Number of weeks from Oct 10th to Dec 31. 12

(Actually 12 weeks and 1 day)

Total Cost to continue GP from Oct 10-Dec 30: \$37,265,768

Cost for Dec. 31 w/o delivery charge if boxed as 6 instead of 5 meals \$282,152

Total Cost to continue GP from Oct 10-Dec 31 is \$37,265,768