

# CCWRO Welfare News

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## NEW CDSS DIRECTOR



On April 29, 2011, the Brown administration appointed Will Lightbourne Director for the State Department of Social Services.

Lightbourne has been hired as an “executive-on-loan” as part of an agreement between Santa Clara County and the state. This means Lightbourne will retain his \$216,611 salary and remain a county employee, but the state will reimburse the county for his salary and benefits package.

Lightbourne, 61, has served as Director of the Santa Clara County Social Services Agency since 2000, and was Executive Director of the San Francisco City and County Human Services Agency from 1996 to 2000. Previously, he was the Director of the Santa Cruz County Human Services Agency from 1990 to 1996. From 1975 to 1990, Lightbourne held a number of positions with Catholic Charities in San Francisco, including Chief Executive Officer and General Director.

Lightbourne stated his new mission in a recent article in the San Jose Mercury News; “Clearly, the Brown administration is serious about doing structural financial re-

form, without doing the smoke-and-mirrors games,” said Lightbourne. He added that he needs to ensure that the ever-growing budget cuts do not threaten the lives of the state’s most vulnerable residents. Another major part of his job, Lightbourne said, will be creating “the most effective system of services that people are going to be able to count on in the future.”

Lightbourne replaces John Wagner, who on April 29, 2011 was named Acting Director of the Community Services and Development Department.

## BANKS TAKE \$21 MILLION FROM WELFARE FAMILIES

It used to be that welfare recipients got a check in the mail and were able to use all of that money to meet the basic survival needs of their families.

In the early 2000’s the welfare bureaucracy decided that issuing checks was costly, thus, they would distribute benefits on Electronic Benefit Transfer (EBT) cards. This saved the welfare systems millions of dollars. However, the EBT system also forces welfare recipients to pay fees and surcharges to use this new method of accessing their limited fixed public benefits income. Currently, welfare recipients in California are living on 1989 fixed income levels. Effective July 1, 2011 these

amounts will be rolled back even further to 1984 levels. Bank fees and surcharges extract about \$21 million annually from poor families through EBT cards, thereby giving the banks with about \$18 billion dollars in profits.

During January of 2011 welfare recipients were charged \$44,268.50 just to find out how much money they had in their EBT accounts. Poor families also paid banks \$61,846 dollars in transaction fees in January of 2011.

Finally, banks that made \$6 billion in profits during January of 2011 extracted \$1.5 million from welfare recipients in the form of “surcharges.” Table #1 shows the money that banks extracted from the California impoverished during January 2010 and January 2011.

Western Center on Law and Poverty and the Coalition of California Welfare Rights Organization have sponsored AB 759 by Assemblywoman Holly Mitchell that would prohibit using surcharges and other fees for using public benefits EBT cards. The banks have vigorously opposed this bill. The banks believe that they are entitled to take money out of the mouths of children living in impoverished families to enhance their already bloated profits.

On April 26, 2011, the banks prevailed. AB 759 was defeated in the Assembly Human Services Committee. The poor will have to continue to pay about \$20 million a year to the banks. But Assembly Member Holly Mitchell and the sponsors of this bill will keep on fighting. Stay tuned.

**TABLE #1- Money Extracted From Welfare Recipients by Banks**

Report Period	Balance Inquiry Fee	ATM Transaction Fee	ATM Charge
January 2010	\$45,143	\$54,946	\$1,517,157
January 2011	\$44,268	\$61,846	\$1,695,983
<b>Percentage of Increase</b>	<b>-2%</b>	<b>13%</b>	<b>12%</b>

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