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## **Berkeley Food and Housing Project to Close 30-Year-Old Nightly Hot Meal by June 24th, Citing Increased Costs**

Berkeley, CA — February 2, 2004 — On Friday, January 30, 2004, the Berkeley Food and Housing Project (BFHP) announced major service cuts to the Quarter Meal, a daily community meal served to homeless and low-income individuals and families at Trinity United Methodist Church. Beginning March 1, 2004, meal service will be reduced from five days to three days each week. On June 24, 2004, the service will be closed unless BFHP can find alternative funding sources.

Unexpected mid-year expenses forced the agency to execute these cuts. The rising costs of Workers Compensation premiums, employee medical benefits, and mandated compliance with the City of Berkeley's voter-approved Living Wage ordinance amounts to \$110,000 of unbudgeted mid-year expenses.

“Like many businesses in the State of California, non-profits like BFHP are having a hard time keeping up with the rising costs of Workers’ Comp and medical benefits,” said Marci Jordan, Executive Director of BFHP. With the passage of the city’s Living Wage Ordinance, any agency or business holding a contract with the City of Berkeley is obligated to pay their employees a living wage. Even though BFHP supports the measure and is eager to raise employee wages, doing so seriously challenges the agency’s fiscal situation.

In anticipation of these expenses, BFHP implemented several smaller cuts. “We reached a point where we couldn’t cut anything without significantly altering our services,” Jordan said. “We also realized it would be unfair to cut employee medical benefits at the same time we were raising their wages to comply with the Living Wage ordinance.”

The decision to reduce and ultimately close the Quarter Meal services was finally selected after the staff and Board of Directors of BFHP considered several other program closures and service cuts. Other BFHP programs provide shelter, housing and support services to help homeless individuals and families move into and maintain permanent housing.

“Reducing any other service would result in less support to the families and individuals we help with case management and many other services necessary to ameliorate chronic homelessness,” said Gene Knauer, president of BFHP’s Board of Directors. “Without our programs, many people will wind up back on the street.”

“We haven’t lost funding. Foundations have not let us down. Our city, county, state, and federal partners have stuck by us through this and our donors have been extraordinarily generous this year,” said Jordan. “The problem is that Worker’s Compensation and medical benefits and the living wage ordinance, which we support, have pushed our costs over the top.”

BFHP hopes to find a three-to-five-year commitment for funding for the Quarter Meal before June 2004. Barring that, the agency will try to identify alternatives for Quarter Meal diners who are unable to go to the larger meals in Oakland. With over 15 other groups providing free meals in Berkeley, there are at least one or two meals available in Berkeley every day.

“We know that this will not be sufficient for some of our clients who are more frail and vulnerable, but we hope the community will help us find more solutions,” said Jordan.

### **About BFHP**

Founded 30 years ago by local residents, the Berkeley Food and Housing Project (BFHP) combines housing, food, case management and resource counseling with compassion to nurture individuals and families who have struggled with poverty and homelessness. BFHP runs a daily meal program, two daytime drop-in programs, two emergency shelters, two transitional housing programs (one for homeless women with psychiatric disabilities), and one permanent supportive housing program for mentally ill adults.

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