

**Committee On Housing And Workforce Development
Council of the District of Columbia**

**Public Oversight Roundtable
Fiscal Year 2010 Summer Youth Employment Program**

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To pay for cost overruns or under-budgeting of the Summer Youth Employment Program (SYEP), the Mayor has diverted more than \$8 million of TANF Emergency Contingency Funds that had been set aside for other purposes. While the SYEP is an important program that does much good, Legal Aid is very concerned about both the process by which these funds were reallocated and the impact that it will have on other important priorities.

The Mayor's Actions Were an End-Run of the Budget Process

The District just completed the drafting of its budget. On April 1, the Mayor sent his proposal to the Council and there was a two month period of intense and public review. Scores of hearings were held, advocates met with Council members and staff, careful reviews were conducted and the budget was marked up by committees and then eventually by the Council as a whole. That budget was signed by the Mayor and sent to Congress for its review. Less than a month after the vote, the Mayor skirts that process and takes money from one program to fund another.

It is true that the TANF Emergency Contingency Funds were not subject to Council action and it is true that there is nothing illegal about using these fund to support the SYEP. But these funds were discussed during the process, the Mayor declared his intent to use them for important needs in homeless services programs and at the Income Maintenance Administration. With these commitments in mind, the Council adopted a budget. Had the Mayor told the Council that he intended to use TANF funds for SYEP, the Council may well have made different choices.

Now, the Mayor, without consulting the Council, and more importantly, without giving the public an opportunity to provide input, has reordered budget priorities. As important as the SYEP is, is it more important than needed services to people who are homeless? Is it more important than support for family shelter? Is it more important that reducing the long lines and possibly illegal waits at the Income Maintenance

¹ The Legal Aid Society was formed in 1932 to “provide legal aid and counsel to indigent persons in civil law matters and to encourage measures by which the law may better protect and serve their needs.” Over the last 70 years, tens of thousands of the District’s neediest residents have been served by Legal Aid staff and volunteers. Legal Aid has been practicing in the area of public benefits for a number of years, representing clients with TANF, Food Stamps, and Medicaid cases.

Administration service centers? Those are questions of policy that ought to be considered and debated in the public view.

TANF Emergency Contingency Funds are needed for other priorities

TANF Emergency Contingent Funds are part of the federal economic stimulus legislation. The District is entitled to draw up to \$46 million from the federal government to off-set increased costs due to the recession. During the recent budget deliberations, the executive declared an intent to use \$8.1 million in 2010 to cover the shortfall in homeless services, \$5.5 million in 2010 to pay for a new IMA case management system and the balance of the money in 2011 in TANF cash assistance, job training and other TANF related initiatives.

Homeless Services

The money that the executive committed to put aside for homeless services is critical. In fiscal year 2010, the District directed \$12 million in TANF money that had previously been used for homeless services to other purposes. The \$8.1 million in stimulus funding was supposed to provide a partial restoration of the cut and mitigate the impact on services to some of the District's most vulnerable residents.

A reduction in homeless services during a deep recession is particularly troubling. Cuts to programs come at a time of increased need. Extraordinarily high rates of unemployment are making many more families vulnerable and charitable services have been hit but cuts. In July, nearly 450 families were on the waiting list for **emergency** shelter.

Delays, understaffing and mishandled benefits applications at the Income Maintenance Administration (IMA)

TANF Emergency Contingent Funds could be used to address critical issues at IMA, some of which the executive promised would be addressed with this money. In particular, the Mayor promised to use \$5.5 million for a new case management system that would improve the accuracy and efficiency of claims determinations.

IMA provides essential safety net benefits to the District's most vulnerable residents. As advocates for clients who are trying to obtain and maintain TANF, Food Stamps, Medicaid and Alliance benefits, we have grave concerns about the agency and whether it can sustain the funding loss created by the transfer to YSEP.

The recession of the last two years has placed communities living in poverty under enormous pressure. There has been a dramatic rise in unemployment, especially in communities that have historically had a high rate of poverty. In some wards, the official unemployment rate has reached nearly 30 percent with thousands of families driven into poverty by job loss. Food Stamps, TANF, medical assistance and Supplemental Security Income (SSI) – are often the only way that families and

individuals living in poverty can make ends meet, and economic conditions have forced more and more people to turn to public assistance.² Rising hunger in the District serves as a bellwether for the failure of the agency to meet its mandate. One in four families with children struggled last year to purchase adequate food.³

As a result of budgets cuts, eliminated positions and hiring freezes, there are simply not enough staff to administer programs effectively. The agency has lost many good and effective workers. Those that remain are overwhelmed. The result is that:

- Applicants must wait in very long lines, sometimes for days, to submit an application for benefits
- There are significant processing error causing eligible individuals and families who need benefits to have their applications denied or their benefits terminated through no fault of their own.

Conclusion

The SYEP is important, but there are many competing priorities. During these difficult budget times, cuts have been imposed on many important initiatives and we are a long way from the end of the financial crisis. The District is not well served when money set aside to ensure that the basic safety-net is maintained are taken and used for other purposes without the opportunity for public scrutiny or input.

² Among other indicators, the U.S. Department of Agriculture reports that participation in the District's Food Stamps program has increased 22% since 2007. <http://www.fns.usda.gov/pd/15SNAPpartPP.htm> (last visited August 2, 2010)

³ http://www.frac.org/pdf/food_hardship_report_2010.pdf (last visited August 2, 2010)