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Before the Committee of the Whole Council of the District of Columbia

Budget Oversight Hearing Regarding the Mayor's Proposed Fiscal Year 2024 Budget

April 14, 2023

Legal Aid of the District of Columbia¹ submits this testimony to share serious concerns with the Mayor's proposed Fiscal Year 2024 budget – a budget proposal that would devastate low- and no-income, primarily Black and brown families in the District. We understand that the Mayor, and now the Council, are working in leaner fiscal times than recent years, but the District cannot balance the budget by slashing vital lifeline programs, like the Emergency Rental Assistance Program ("ERAP"), and desperately needed legal services funded through the Access to Justice ("ATJ") program.

Low- and no-income residents in the District were struggling to make ends meet before the pandemic, and, if anything, their struggle is only worse now. Food prices are up 10%,

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¹ Legal Aid of the District of Columbia 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." Legal Aid is the oldest and largest general civil legal services program in the District of Columbia. Over the last 91 years, Legal Aid staff and volunteers have been making justice real – in individual and systemic ways – for tens of thousands of persons living in poverty in the District. The largest part of our work is comprised of individual representation in housing, domestic violence/family, public benefits, and consumer law. We also work on immigration law matters and help individuals with the collateral consequences of their involvement with the criminal justice system. From the experiences of our clients, we identify opportunities for court and law reform, public policy advocacy, and systemic litigation. More information about Legal Aid can be obtained from our website, www.LegalAidDC.org.



and continue rising² while families' SNAP awards decreased because the program's federal pandemic-era enhancements have expired. Rents continue to rise, with tenants in even rent-controlled buildings facing the highest annual rent increase in the history of the rent control program. And pandemic-era protections like the eviction and debt collection moratoria, that kept families in their homes with money in their pockets, have ended.

Now is the time to invest in the District's social safety net, not eviscerate it in the name of austerity. We urge the Council to make significant changes to the proposed budget before it becomes final. Specifically, the Council should:

- Restore \$18 million dollars to the Access to Justice program so that families can continue to have lawyers in their housing, debt collection, foreclosure, public benefits, domestic violence, family law cases and more.
- Significantly increase the ERAP budget to meet the expected level of need in FY2024. This likely means adding at least \$93 million to the program's budget so that families can remain in their homes.
- Fund the Give SNAP a Raise Amendment Act of 2022 to increase families' SNAP awards and purchasing power during this time of runaway inflation.
- Reverse cuts in the proposed budget related to human services, and fund other desperately needed bills and initiatives, as outlined below.

Many of these recommendations overlap with the recommendations of the Fair Budget Coalition, and indeed, Legal Aid is a proud member of the Coalition and supports the FY24 Fair Budget Platform.³

² "In 2022, food prices increased by 9.9 percent. Food-at-home prices increased by 11.4 percent, while food-away-from-home prices increased by 7.7 percent." Summary Findings, U.S. Department of Agriculture, *available at* https://www.ers.usda.gov/data-products/food-price-outlook/summary-findings/.

³ FY24 Budget Platform, DC Fair Budget Coalition, *available at* https://fairbudget.org/2024-budget-platform/.



The Council Should Restore Funding to the Access to Justice Program⁴

The Mayor's proposed 60% cut to the Access to Justice Program would be an unprecedented step backwards in the District's, and this Council's, commitment to ensuring that the courts and legal system work for all District residents, regardless of income. This cut will have a deep and profound impact on Legal Aid, the legal services community writ large, and, most importantly, on the clients we serve.

ATJ funds make up over 40% of Legal Aid's annual budget, and approximately half of all our employees are paid with these funds (46 of our 93 total employees). There is simply no way to absorb substantial cuts to this program without cutting personnel and the services they provide.

In every single one of our practice areas, we will need to make significant cuts if Access to Justice Funding is reduced.

- Attorneys in our housing practice represent District residents in eviction proceedings, as well as other important efforts to preserve affordable housing, like helping tenants fight unlawful rent increases and improve housing conditions. This practice area receives \$2.5 million in District funding, and has nineteen total attorneys staffing the project.
- Attorneys in our consumer practice represent District residents who are facing debt collection proceedings or are at risk of losing the homes they own to foreclosure. This project is funded by more than \$250,000 in Access to Justice Funds, and has eight attorneys total staffing the project.
- Attorneys in our domestic violence and family law practice represent survivors of domestic violence to get civil protection orders and ensure access to counsel in divorce, custody, and child support proceedings. This practice areas receives nearly \$850,000 in Access to Justice Funds, and has approximately eighteen total attorneys staffing the project.
- Attorneys in our public benefits practice represent District residents secure a range of benefits to which they are entitled – from nutritional assistance to healthcare. This project is funded by more than \$1 million in Access to Justice Funds, and is staffed by approximately eleven attorneys

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⁴ Legal Aid's FY24 Budget Oversight Testimony on the Office of Victim's Services and Justice Grants, available at https://www.legalaiddc.org/sites/default/files/2023-04/Vikram April 13.pdf.



Unless reversed, the Mayor's proposed cuts to ATJ will necessarily mean that significantly fewer low-income District residents will have a lawyer to help them prevent their eviction, save the home they own, obtain a civil protection order against their abuser, or ensure they get the vital lifeline public benefits they are entitled to. To say it another way, the Mayor's proposal would all but guarantee that more low-income District families are evicted, lose their homes to foreclosure, are not able to protect themselves from their abusers, or have fewer dollars in their pockets. The Council should intervene and ensure that this does not happen.

The Council Should Restore and Increase Funding to the Emergency Rental Assistance Program⁵

The Mayor's proposed budget slashes the ERAP budget by approximately 80%, from \$43 million in FY23 to a meager \$8 million in FY24. It is hard to express how appalling and devastating this proposed cut is and what it will mean for low-income District tenants.

To put it in perspective, assuming the Department of Human Service's Projections are correct for the current fiscal year, ERAP providers will have awarded the entire \$43 million budgeted for FY23 in less than six months. If that pace holds, the \$8 million proposed for FY24 will sustain the program and the District's tenants for a little over one month.

We appreciate that many members of the Council were equally shocked by the Mayor's proposed cut to ERAP. In response, we heard the executive suggest that the pandemic is over and it is time to return to pre-pandemic levels of funding. But the sad truth is ERAP was woefully underfunded year after year before the pandemic. And expanded eligibility rules and increased award limits – important and necessary reforms this Council implemented during the pandemic – along with rapidly-rising rents throughout the District mean the need for ERAP is far greater than ever before.

We urge the Council to not only reverse the Mayor's cut to ERAP, but also significantly increase the program's funding so that it actually meets the needs of all eligible tenants for the entire 2024 fiscal year.

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⁵ Legal Aid's FY24 Budget Oversight Testimony on the Department of Human Services (Emergency Rental Assistance), *available at* https://www.legalaiddc.org/sites/default/files/2023-04/Sam Koshgarian March 31.pdf.



The Council Should Fund the Give SNAP a Raise Amendment Act of 20226

The Supplemental Nutrition Assistance Program (SNAP) provides nearly 140,000 low-income individuals and families in the District with a monthly benefit to purchase food. However, for most SNAP recipients the SNAP allotment is only sufficient for two weeks. Now, food prices are soaring and the pandemic-era enhancements to the SNAP program – which provided all households with an additional benefit of at least \$95, with some households seeing increases as high as \$250 per month – expired in March 2023.

Thankfully, at the end of 2022, the Council unanimously passed, and the Mayor signed into law, the Give SNAP a Raise Amendment Act of 2022. This Act made critical changes to the SNAP program to increase benefits. Specifically, this Act:

- Makes the Low-Cost Food Plan the basis for determining benefits, increasing benefits by about 30%; and
- Changes the minimum benefit awarded to 15% of the maximum SNAP benefit, instead of the flat \$30 minimum that is the current standard.

We understand that the cost of this bill seems substantial – \$51.2 million in the first fiscal year and a total of \$213.2 million over the four-year financial plan⁷– but that cost is small when measured against the alternative. Simply put, if the Council does not act, families will be forced to live on their current, woefully inadequate SNAP benefits, without the food and nourishment they need and that should be a human right.

The Council Should Reverse Proposed Budget Cuts to Human and District Services and Fund Bills and Initiatives that Will Make the District's Safety Net More Robust

While the items highlighted above represent some of the most glaring gaps and omissions in the Mayor's proposed FY24 budget, her proposal is littered with cuts to agencies that serve low-income District residents, like the Department of Human

⁶ Legal Aid's FY24 Budget Oversight Testimony on the Department of Human Services (Economic Security), *available at* https://www.legalaiddc.org/sites/default/files/2023-04/Haley Hoff March 31.pdf.

⁷ Fiscal Impact Statement, Give SNAP a Raise Amendment Act of 2022, available at https://lims.dccouncil.gov/downloads/LIMS/48552/Other/B24-0600-FIS_Give_SNAP_a_Raise.pdf.



Services and the Department of Employment Services, and agencies that should help ensure that District residents live in safe and habitable conditions, like the Department of Buildings. Her proposed budget also leaves unfunded or underfunded critical bills and initiatives that would help families and individuals secure better employment and provide for a more robust safety net during a time when day-to-day living expenses in the District keep rising and wages are not keeping pace. We urge the Council to focus on reversing and filling the following gaps.

Criminal Record Sealing

At the End of 2022, the Council unanimously passed the Second Chance Amendment Act to update the District's criminal record sealing law. Our current law is among the most restrictive in the country and is in desperate need of modernization. Unfortunately, the Mayor's budget does not fund this bill until FY25, meaning that District residents being held back by the collateral consequences of their past involvement with the criminal legal system will have to wait nearly eighteen months for relief.

This bill is affordable and will have a lifechanging impact for District residents looking to start with a clean slate. It will also benefit the District, as it enables more people to secure housing and employment. According to the fiscal impact statement, this bill will cost only \$300,000 in its initial year and \$10.2 million over the financial plan.

The Social Safety Net

Legal Aid urges the Council to make key investments to strengthen the safety net programs administered by the Department of Human Services. Specifically, we recommend that the Council:

- Increase funding for Temporary Assistance to Needy Families (TANF) payments. The District should commit to funding this with \$34 million in the budget for the initial implementation next year, \$34 million for the second year, and a total of \$67.9 million each year moving forward, to bring the District's benefit levels in line with New Hampshire, the highest level in the nation.
- Reverse the inexplicable \$700,00 cut to the Interim Disability Insurance
 (IDA) program and increase funding by \$3.21 million. IDA provides temporary
 financial assistance to childless adults with disabilities who have an
 application or appeal pending for Supplemental Security Income (SSI).
 Unfortunately, the process of applying to and being approved for SSI is
 extremely lengthy and continues to grow as SSA faces increased
 application numbers and decreased funding and staffing issues. IDA helps



ensure that individuals in this precarious situation can pay for basic needs like housing, medical care, and transportation.

 Fund an Ombudsman for the Department of Human Services to help advocates and customers break through the persistent service delivery failures that plague DHS.

In addition to programs administered by DHS, the Mayor's proposed budget inexplicably slashes the budget of the Department of Employment Services, an agency that earlier this year, at current funding levels, reported it had a backlog of 45,000 unprocessed unemployment insurance claims.⁸ In light of this, Legal Aid recommends that the Council do the following:

- Reverse the \$1.48 million cut to, and instead increase funding for, the
 Unemployment Insurance Benefits Division, which is responsible for
 providing cash payments to eligible workers. Claimants are already waiting
 months or even years to resolve issues with their claims, and yet the
 proposed budget reduces the number of FTEs by 5%.9
- Restore funding so that workers can file UI claims by phone and in person, instead of only via the website. For some workers the requirement to file online causes significant hardship, and for others it is a complete barrier. In particular, claimants who do not have access to the internet, are not proficient in English, have disabilities, or who have low literacy are necessarily disproportionately impacted by this policy.
- Fund the Domestic Workers Employment Rights Amendment Act. This Act
 will include domestic workers in laws they have long been excluded from
 and create new rights and benefits for domestic workers. Legal Aid strongly
 urges the council to fund this bill in FY24, to make the promise of this Act a
 reality.

⁸ DOES Responses to Committee on Executive Administration and Labor Agency-Specific Questions, at Q 132 (Feb. 2023), available at https://dccouncil.gov/wp-content/uploads/2023/03/Question-Responses-for-Committee-2.24.pdf

⁹ D.C. Proposed FY2024 Budget, Department of Employment Services (CF0), at Table CF0-4 (Mar. 22, 2023), available at

https://cfo.dc.gov/sites/default/files/dc/sites/ocfo/publication/attachments/cf_des_tables_2024m.pdf



We also urge the Council to fund an expanded resource center at the Office of Administrative Hearings, the administrative body that handles appeals for benefits administered by DOES and DHS, so that unrepresented litigants can better navigate the complicated and often opaque appeals system. For more detail regarding these recommendations, and others, please see Legal Aid's budget testimony regarding the Department of Human Services, the Department of Unemployment Services, and the Office of Administrative Hearings.¹⁰

Affordable Housing

Housing costs and rents in the District keep rising. Black and brown families are displaced through eviction, foreclosure, or other forced moves. We urge the Council to make key investments in affordable housing, both by creating new affordable housing and by preserving what we already have, but are at risk of losing. Specifically, we urge the Council to do the following:

- Allocate some of the \$8 million enhancement to the Black Homeownership Strike Force recommendations to preserving, not just increasing, Black homeownership. Helping existing homeowners maintain their homes helps close the racial wealth gap and prevents the foreclosure and eviction of homeowners who fall behind on their mortgages or tax payments. Most of our clients' monthly mortgage payments range from \$750 to \$1,300, far less than rent. If those lose their homes, they often lose their only affordable housing option.
- Pass and fund the Rapid Re-Housing Reform Amendment Act of 2023.
 Rapid Re-Housing is a time-limited subsidy program that allows DHS to exit families from the program for overstaying arbitrary time limits. This Act would correct this fatal flaw in the program that causes families to cycle in and out of homelessness, unnecessarily inflicting and compounding trauma.
- Fund Local Rent Supplement Vouchers so that DCHA can move families off their voucher waitlist. The ten-year anniversary of DCHA closing its voucher

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¹⁰ Legal Aid's FY24 Budget Oversight Testimony on the Department of Human Services (Economic Security), *available at*; Legal Aid's FY24 Budget Oversight Testimony on the Department of Employment Services, *available at*

https://www.legalaiddc.org/sites/default/files/2023-04/Becca Steele April 5.pdf; Legal Aid's FY24 Budget Oversight Testimony on the Office of Administrative Hearings, available at https://www.legalaiddc.org/sites/default/files/2023-04/Jen Jenkins April 11.pdf.



waiting list just passed on April 12. 37,000 families still remain on that list, with little to no hope of ever being offered stable, affordable housing in their lifetimes. The Council can change that by funding LRSP vouchers.

• Require DCHA to disclose how much money it needs to repair and maintain all of its public housing units. We appreciate that the Mayor has allocated \$54 million for public housing repairs and maintenance in FY24, but we are concerned that DCHA has yet to share the amount of funding it needs to repair and maintain all of the District's public housing units. We know that the need is far greater than the Mayor has budgeted for. DCHA must provide information about the actual need so the Council can budget for the future and ensure DCHA's residents are living in safe and healthy conditions.

For more detail regarding these recommendations, and others, please see our budget testimony on the Department of Housing and Community Development, the Department of Human Services, and the DC Housing Authority.¹¹

Safe and Habitable Housing

Every year Legal Aid receives hundreds of calls from residents dealing with unsafe, unhealthy, and unhabitable conditions in their homes. Legal Aid supported breaking up the former Department of Consumer and Regulatory Affairs (DCRA) and creating a new Department of Buildings (DOB), and hoped it would mark a turning point in the District's enforcement of the housing code. Unfortunately, the Mayor's proposed budget suggests that ensuring that District landlords repair and maintain their properties is still an afterthought. Legal Aid urges the Council to do the following:

 Reverse the Mayor's proposed budget cut to inspector positions and enact and fund legislation to ensure DOB hires enough inspectors to support both its complaint-based and proactive inspections programs, and to place inspectors in the Landlord and Tenant Branch of D.C. Superior Court.

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¹¹ Legal Aid's FY24 Budget Oversight Testimony on the Department of Housing and Community Development, *available at*

https://www.legalaiddc.org/sites/default/files/2023-04/Shirley Horng April 3.pdf; Legal Aid's FY24 Budget Oversight Testimony on the Department of Human Serviced (Rapid Re-Housing), available at https://www.legalaiddc.org/sites/default/files/2023-04/MattBoucher March 31.pdf; Legal Aid's FY24 Budget Oversight Testimony on the DC Housing Authority, available at https://www.legalaiddc.org/sites/default/files/2023-04/Amanda Korber April10.pdf.



 Fully fund the Residential Housing Environmental Safety Amendment Act of 2020. The sections of this law requiring DOB inspectors to be certified in mold assessment and to issue notices of infraction for mold remains subject to appropriations.

For more detail regarding these recommendations, and others, please see our budget testimony on the Department of Buildings.¹²

Conclusion

We thank the Committee of the Whole for the opportunity to testify today. The Council should seize upon this moment to demonstrate its commitment to the District's low- and no-income residents, even during tough fiscal times. It is precisely in these moments that we have to invest in programs and safety nets that will sustain families.

¹² Legal Aid's FY24 Budget Oversight Testimony on the Department of Buildings, *available at* https://www.legalaiddc.org/sites/default/files/2023-04/Eleni Christidis March 28.pdf.