

Testimony of Damon King Senior Policy Advocate Legal Aid Society of the District of Columbia

Before the Committee on Human Services Council of the District of Columbia

Budget Oversight Hearing Regarding the Department of Human Services

May 21, 2020

The Legal Aid Society of the District of Columbia¹ submits the following testimony regarding the Mayor's proposed FY21 budget for the Department of Human Services. The decisions that the Mayor and Council make in this budget will be crucial to determining how the District recovers from the current pandemic. Across Council committees, we are urging Councilmembers to ensure that marginalized communities – including low-income District residents, black and brown District residents, and District residents struggling with homelessness and other challenges – are not left out of this recovery. A just recovery for these residents requires that the District ensure that safety net programs are easily accessible and that we work to prevent COVID-19 from driving further displacement of residents from their homes and the District.

Through its administration of public benefits and the homeless services system, DHS is a key agency for ensuring such a just recovery. Regarding public benefits, we are heartened by many of the steps that the Department has taken in the wake of the public health emergency to help struggling District residents, and urge the Committee to ensure that DHS's FY21 budget accounts for increased demand for safety net programs that will likely last throughout the coming fiscal year as the District economy gradually re-opens and moves toward normal operation. We also urge this Committee and the Committee on Health to work together to address a major oversight in the Mayor's FY21 proposed budget: the Bowser Administration's failure to permanently address barriers in the Health Care Alliance program. The pandemic has only

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¹ The Legal Aid Society 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 88 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 our blog, www.MakingJusticeReal.org.

reinforced how ill-conceived and dangerous these barriers are, and given the great degree of uncertainty over the future course of COVID-19, the Council should implement a permanent solution to the program's unnecessary renewal requirements.

Regarding homeless services, we are deeply concerned that DHS's proposed budget misses an opportunity to prioritize prevention, and that Rapid Rehousing – whose budget sees a sizeable increase – will continue to be a particularly poor fit for many District residents at risk of displacement.

The District Must Strengthen its Social Safety Net in the Wake of the Pandemic

While the Mayor and her regional counterparts are currently working to figure out a plan for safely re-opening the District and the regional economy, we assume that such a re-opening will not occur all at once.² And even once the re-opening begins, there will likely be an extended period of time before we return to normalcy. In this environment, the barriers to finding work and making sufficient income will be especially pronounced for District residents who were suffering even before this pandemic hit – entire sectors of the economy will continue to be compromised, making fewer jobs available. For those residents who are not able to return to full-time, consistent work as soon as the immediate crisis ends, safety net programs like SNAP, TANF, and medical assistance programs represent a lifeline, enabling them to better feed, house, clothe, and care for themselves and their families.

During the public health emergency, the Bowser Administration has taken important steps to reduce barriers to accessing SNAP and TANF and maximize the assistance that families receive. These efforts have included the launch of an on-line application for public benefits³ and implementing temporary increases to SNAP benefits⁴ for households receiving less than the maximum benefit amount. The Administration also temporarily suspended re-certification requirements in these programs to prevent families up for renewal from losing benefits.⁵

We applaud the Bowser Administration for the many steps it has taken during this public health crisis to shore up the safety net. However, even when the public health emergency ends, it must not immediately roll back these measures. With regard to SNAP and TANF, many households will still have pronounced needs for food and cash assistance as they attempt to find work. And a policy requiring everyone whose benefit renewals were suspended to immediately re-certify

https://dhs.dc.gov/sites/default/files/dc/sites/dhs/service_content/attachments/DHS%20Modified%20Operations%20one-pager_v3_5-15-2020_FIN_0.pdf

² See, e.g., Martin Austermuhle, Reopening D.C. May Not Happen Until Summer, City Officials Warn, WAMU, April 30, 2020. Available at: https://wamu.org/story/20/04/30/reopening-d-c-may-not-happen-until-summer-city-officials-warn/

³ The DC Benefits Portal can be accessed here: https://dcbenefits.dhs.dc.gov/

⁴ See, Curt Campbell, DC Provides Temporary SNAP Increases to Meet Nutritional Needs, April 7, 2020. Available at: https://www.makingjusticereal.org/dc-provides-temporary-snap-increases-to-meet-nutritional-needs

⁵ See, Department of Human Services, Quick Reference to DHS Modified Services during COVID-19 Emergency. Available at:

would likely be overwhelming for the government and deeply disruptive for families. Essentially, for many District residents – particularly those who were already struggling before the pandemic shut down our local and regional economy, it will take time to reach the point at which the need for safety net programs begins to decline.

For this reason, we urge the Committee to ensure that the Mayor's proposed DHS budget maintains higher levels of safety net assistance and extends assistance for a period of time after the public health emergency is lifted. The Committee should also ensure that DHS has sufficient capacity to meet community need for these benefits, including adequate staffing for fast processing of applications and prompt responses to questions community members might have about their benefits. In its questions to the Department, the Committee should ask:

- 1. What assumptions DHS is making about how many District residents will likely need TANF, SNAP, Medicaid and Alliance over the course of FY21 and how it arrived at these assumptions.
- 2. How DHS has scaled its local investment in safety net program to be consistent with this expected need.
- 3. How DHS has invested in its capacity to process applications and respond to questions from the public about their benefits, including:
 - a. Current processing times for applications and how the Department expects its proposed budget to impact these times; and
 - b. Current DHS call center capacity and wait times, and how the Department expects its proposed budget to impact them.
- 4. How the Department anticipates changing its policies once the current public health emergency is lifted, including:
 - a. What it will require of District residents who had their public benefits extended during the emergency and how the Department plans on processing any post-emergency re-certifications; and
 - b. How it will continue to work to improve access to safety net programs over the course of FY21.

Now more than ever, District residents need the safety net to be accessible and responsive. We urge the Committee to ensure that DHS's proposed budget is up to the task.

The Council Must Remove Barriers in the Health Care Alliance Program Once and for All

We are extremely disappointed in the Mayor's apparent failure to permanently remove the Health Care Alliance's six-month, in-person re-certification requirement. This policy has always been problematic – it has required low-income immigrants with limited health care options to line up outside DHS service centers in long lines twice a year under the threat of losing regular access to health care. The pandemic has only reinforced the policy's short-sightedness: it creates gaps in our public health system by jeopardizing the health care access of thousands of

immigrants (roughly three-quarters of whom are black or Latinx),⁶ even as these communities are particularly vulnerable to health emergencies like this one.⁷

Wisely, one of the first things the Bowser Administration did during this public health emergency was to temporarily suspend the program's in person requirements, allowing people already in the program to remain covered and permitting applications to be submitted without going to a service center. The Administration's apparent failure to use the FY21 budget to make the suspension of in-person requirements permanent is profoundly unwise. Even when the public health emergency ends, COVID-19 will likely continue to pose some level of risk to the population – there is even concern that we could see a "second wave" of infections later this calendar year. If the Mayor lifts the public health emergency and the Alliance's application and renewal policy returns to what it was before the pandemic, large numbers of people from especially vulnerable populations will again have to risk their health by congregating outside of DHS buildings to meet an excessive and unnecessary requirement, not to mention the health risks to the DHS employees who will need to be present to conduct interviews. We will also be re-opening precisely the type of public health gap that we should be closing to ensure that everyone is in a position to seek medical care promptly whenever they need it.

After eight years, ample notice of the problem, and a pandemic that is ravaging the District's black, brown, and immigrant communities, this failure is inexcusable. The Mayor should know that it is unambiguously unwise policy, and her unwillingness year after year to jettison it casts doubt on her commitment to these communities.

DHS's Budget Must Contribute to the Prevention of Homelessness & Displacement

One of the great dangers of this pandemic is that the public health crisis and accompanying economic slowdown triggers a new wave of homelessness and displacement. With a severely constricted job market, there is a high likelihood that we will see more District residents unable to afford their rents. As we noted above, the barriers to employment will be particularly pronounced for those who were already experiencing difficulty during the District's more "prosperous" pre-pandemic period, and lasting unemployment or underemployment will likely make high rent burdens that were already barely tenable before the pandemic completely untenable in its wake. Further, because our economy will only re-open and recover in a phased manner (with significant uncertainty over whether there will be a resurgence of the virus that upends that recovery), major recoveries in employment and substantial increases in income for

⁶ FY18-19 Department of Health Care Finance (DHCF) performance oversight data shows that in FY18, a combined 74.7% of Alliance enrollees identified as either black or Hispanic (25.3% black, 49.4% Hispanic). DHCF FY18-FY19 Performance Oversight Responses, Q35.

⁷ See, e.g., Andrea Swalec, *DC Flags Coronavirus Risks for African Americans, Latinos, Those With Medical Conditions*, NBC Washington, May 4, 2020. Available at: https://www.nbcwashington.com/news/local/dc-flags-coronavirus-risks-for-african-americans-latinos-those-with-medical-conditions/2292660/

already-low-income workers are likely <u>not</u> just around the corner. Simply put, we are facing a potential flood of evictions, homelessness, and further displacement of longtime residents from the District (with no certainty they'll be able to find or afford housing elsewhere either), and we cannot count on a quick economic recovery save us.

In light of this, it is important that the FY21 budget make substantial investments in housing-loss prevention – helping those people who are already housed to remain in the homes. This is both more cost-effective and less disruptive than other interventions like shelter or post-shelter housing programs. Further, it is crucial that, between DHS and DCHA, there are substantial investments in permanent housing vouchers that can provide long-term support to low-income residents. Unfortunately, the DHS budget appears to strike the wrong balance with its investments.

It will take a number of policy approaches to keep low-income District residents in their homes, but one ready-made potential solution for some families is Emergency Rental Assistance (ERAP). As we have highlighted in previous years, ERAP works to stave off eviction and displacement, but each year, the program runs out of money before everyone who needs assistance can get it. Making matters worse, for the last two years, the Mayor has cut the program in her proposed budget, leaving the Council to restore funding at mark-up and hampering broader efforts to fund the program at an appropriate level.⁸

We are disappointed to see that, at least with respect to the Mayor's proposed budget, this year is no different. The Mayor has allowed \$1.115 million in one-time funding for the program to lapse, again leaving ERAP's proposed budget reduced compared to the prior year's approved budget. While DHS has reported that it expects federal funds to be available for rental assistance, the precise amount of federal funds that will be available to the District is still unclear, making the Mayor's decision regarding local funding for the program that much more

Legal Aid Budget Oversight Hearing Testimony Regarding the Department of Human Services, April 12, 2018. Available at: https://dev.legalaiddc.org/wp-content/uploads/2018/04/Legal-Aid-Budget-Testimony-re-DHS-Housing-Programs-FINAL-UPDATED-4-17-2018.pdf
9 FY21 Proposed Budget and Financial Plan, Vol. 4 Agency Budget Chapters — Part III, E-102, May 18, 2020. Available at: https://cfo.dc.gov/sites/default/files/dc/sites/ocfo/publication/attachments/ja_dhs_chapter_2021m.pdf

The narrative section of DHS's budget chapter indicates that ERAP also received an enhancement of \$2 million (*see*, E-108). This enhancement is not reflected in Table JA0-4, and our understanding from the Department's May 20, 2020 budget briefing is that the reference to an enhancement is an error.

⁸ For an in-depth discussion of ERAP funding in prior years, *see*: Legal Aid Budget Oversight Hearing Testimony Regarding the Department of Human Services, April 10, 2019. Available at: https://www.legalaiddc.org/wp-content/uploads/2019/04/Legal-Aid-FY20-DHS-Budget-Testimony-ERAP-FINAL.pdf

problematic. Even if federal funds do become available, it is important to fully appreciate the extent to which the program's recent funding levels have been inadequate: Last fiscal year, in substantially better economic times, a majority of ERAP providers exhausted their funding. ¹⁰ The District needs to get to a place where ERAP's funding level meets what will be substantially increased FY21 demand for assistance. Yet, the Mayor's proposed budget is moving the program backwards.

In stark contrast to the ERAP cut, the proposed budget contains a substantial enhancement in the allocation for family Rapid Rehousing (FRSP) – the family Rapid Rehousing budget line reflects an increase of more than \$9.2 million. Legal Aid and other advocates have repeatedly and consistently testified about the problems with the District's continuing reliance on the program as a way of addressing homelessness. Our views can be summed up as follows:

Extensive reliance on the Rapid Rehousing Program as a solution to the District's homelessness crisis is inconsistent with the realities of both the District's housing market (where rents are high)¹³ and its labor market (where there are serious obstacles to low-income residents substantially raising their incomes in periods of a few years or less).¹⁴ In its use of FRSP, far too often, the Department takes families with already-low incomes and offers them the promise of housing via a time-limited subsidy, only to leave them vulnerable to eviction after the program ends because, even if they do everything that's expected of them, there is simply no way to raise most households' incomes to the level necessary to afford housing in the District via a time-limited intervention.

The substantial increase in the FRSP budget is troubling because the conditions that make it a poor fit as a homelessness intervention in the District are likely to make it an even poorer fit for many families in the wake of the pandemic. If families in Rapid Rehousing struggled to raise

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¹⁰ *See*, Legal Aid Performance Oversight Testimony Regarding the Department of Human Services, January 29, 2020. Available at: https://www.legalaiddc.org/wp-content/uploads/2020/02/Legal-Aid-DHS-Oversight-Testimony-FY19-FY20YTD-ERAP-FINAL.pdf

¹¹ See, supra, note 9 at E-102.

¹² See, e.g., Legal Aid Performance Oversight Testimony Regarding the Department of Human Services, January 29, 2020. Available at: https://www.legalaiddc.org/wp-content/uploads/2020/02/Legal-Aid-DHS-Oversight-Testimony-FY19-FY20YTD-RRH-FINAL.pdf

¹³ As we discussed in our most recent performance oversight testimony, in FY19, the average rent for a 2-bedroom apartment rented through FRSP was \$1,534 per month. *Id.*, at 3. ¹⁴ As also discussed during performance oversight, the District has previously examined this issue in the context of removing time limits from the TANF program. Data gathered by DHS in 2016 about families who were, at the time, scheduled to be cut off from TANF due to the 60-month "TANF Cliff," highlighted that families face a range of barriers to activities might grow their incomes, including physical or mental health challenges, limited access to childcare, and a lack of sufficient prior education or employment experience. The task force charged with considering potential hardship extensions to TANF time limits ultimately recommended the repeal of the TANF time limit in its entirety. *See, Id.*, at 8.

their incomes in a pre-pandemic job market, ¹⁵ how will they do so when the economy is only partially operating and jobs are even more scarce? And while DHS has indicated that it will proceed with greater integration of employment services into case management, it is difficult to understand how effective that will be if jobs across multiple sectors of our regional economy simply do not exist. As we highlighted during performance oversight, it appears that under the current Rapid Rehousing model, about 30% of the funds spent in the program go to support case management. ¹⁶ Even if DHS is able to find efficiencies in how that case management is delivered, continued or escalated use of Rapid Rehousing in the wake of this pandemic likely means spending a substantial amount of money on services that will not necessarily connect participants with employment in a such severely contracted job market.

The District should fund vouchers for residents who cannot otherwise afford housing. It should also continue to work with residents in its safety net programs to help them increase their incomes. But offering time-limited housing subsidies and effectively pressuring recipients to raise their incomes in unrealistic timeframes will end in tragedy for far too many families – especially in the wake of COVID-19.

Legal Aid urges the Committee to both identify more local funds for ERAP <u>and</u> closely monitor the Department's efforts to determine the specific levels of federal funding that will be available for rental assistance. The Committee should also work with the legal services community to identify ways in which access to emergency rental assistance can be broadened to reach more residents. Finally, as Council committees move toward committee mark-ups, we urge the Committee to work with the Housing Committee to maximize the number of permanent housing vouchers available to District residents in FY21. In the wake of this crisis the number of people in need of stable, affordable housing will grow, not decline, and the Department and this Committee have a vital role to play in preventing this pandemic from being the newest driver of displacement of the District.

Conclusion

We appreciate the opportunity to testify before this Committee on DHS's budget, as well as the work this Committee has done over the course of the COVID crisis to protect District residents. We look forward to continuing to work with this Committee to ensure that the FY21 budget provides a path to recovery for all District residents.

 16 *Id.* at 5-7.

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¹⁵ For families served by Rapid Rehousing in FY2019, the average monthly income at entry was \$929.75. At exit, in FY2019, families had an average income of \$1006.37, a mere \$76.62 higher than the average entry income. Over the course of FY2019, 93% of families participating in Rapid Rehousing saw no increase in their income. *Id.* at 2.