

**Testimony for Public Roundtable on District of Columbia Use of Potential Stimulus Funds
District of Columbia City Council Committee of the Whole**

**Jennifer Mezey
Supervising Attorney, Public Benefits Unit
Legal Aid Society of the District of Columbia¹**

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As a legal services lawyer, I am frequently asked about the impact of the current economic crisis on my clients and our practice. I usually respond that we are seeing more foreclosure cases, and that welfare rolls and food stamps applications are increasing. However, I continue, our clients were the poorest of the poor to begin with and will continue to be, barring significant improved government intervention. The peril they face right now is from funding cuts in the government programs they depend on to keep their families from falling further into poverty.

This is not the time for budget cutting on the backs of low-income individuals and families. Assuming that the District receives federal funds from a stimulus bill, the District should use these funds and the District dollars that the federal dollars free up to shore up the safety net. Programs like Temporary Assistance for Needy Families (TANF), Interim Disability Assistance (IDA), Medicaid, Alliance, the local rent supplement program and the emergency rental assistance program (ERAP) are a few examples of essential programs that become even more vital in times of economic crisis.

The District should use its dollars to fortify these programs for at least three important reasons. First, when low-income people receive funds (directly in the form of TANF or IDA or indirectly by freeing up dollars that would otherwise have gone towards rent or medical care), they spend them. This is money that goes directly into the economy, providing a boost to local businesses.

Second, the economic crisis is increasing the demand for these programs. TANF supports families who lose their jobs but do not qualify for unemployment compensation or are awaiting an initial decision or appeal of an erroneous denial. IDA supports impoverished individuals with disabilities who must wait for an overburdened Social Security system to grant them disability benefits. Medicaid and Alliance form the health care safety net protecting parents and children without private health coverage from untreated medical crises. The rent supplement program and ERAP help people who have been laid off or can't find employment avoid homelessness.

Third, because the need is there, cuts in these programs will likely increase costs in other parts of the budget. Cuts in TANF, IDA, ERAP and the rent supplement program will increase the strain on already stretched families, leading to increases in homelessness and potentially child abuse

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.

and neglect. Cuts in Medicaid and Alliance will increase health expenditures through emergency room visits. Maintaining the safety net can mitigate against these increased human and budgetary costs.

The importance of these programs demands that the District explore options for sharing the burden of budget shortfalls and protecting programs that provide these essential supports for poor families and individuals, even in the complete absence of stimulus dollars. Surely, there must be programs besides those that serve the poorest and most vulnerable District residents that could be examined for potential savings. The burden of tough economic times must be shared by all, not just those who can least afford it.