

**Testimony for Public Oversight Hearing on the Performance of the Income
Maintenance Administration of the Department of Human Services**

**District of Columbia City Council Committee on Human Services
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The Income Maintenance Administration (IMA) of the Department of Human Services (DHS) provides essential safety net benefits to the District's most vulnerable residents. As advocates for clients who are trying to obtain and maintain Temporary Assistance for Needy Families (TANF), Food Stamps, Medicaid and Alliance benefits, Legal Aid Society of DC attorneys have a great deal of contact with the Department of Human Services' (DHS) Income Maintenance Administration (IMA). We work with program and policy staff on individual and systemic issues of concern to our clients.

IMA's programs and services have become even more important in helping families cope with the effects of the economic crisis. 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

The Department of Human Services (DHS) has failed to respond as if there is a crisis. Rather than act with urgency to ensure that low-income families receive critical supports, the agency has expended resources on plans and efforts to achieve program modifications unrelated to the demand created by the current economic crisis.

Now is not the time to restructure IMA's operations. Instead, DHS should be taking urgent action to ensure that the agency has sufficient staff and sound procedures in place to meet the growing needs of families, seniors and persons with disabilities. Before

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.

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 February 15, 2010)

³ http://www.frac.org/pdf/food_hardship_report_2010.pdf (last visited February 15, 2010)

the agency can be restructured, it has to be able to meet its current obligations and program commitments. While there are problems throughout the agency, I will focus my testimony on three specific issues:

- overall concern with the operation of the IMA service centers and the administration of its public benefits programs; and
- the failure to implement programs that can provide essential assistance through the Supplemental Nutritional Assistance Program (SNAP) and the Interim Disability Assistance (IDA) program.

I will also testify about an area in which we feel that DHS and IMA are moving in the right direction by acknowledging the need for a redesign of the TANF employment program to guide the soon to be let new TANF vendor contracts. We are encouraged that IMA is consulting with advocates, TANF recipients and others as the agency considers its redesign of the TANF Employment Program so as to identify and address the strengths and weaknesses of individual TANF recipients.

The lack of sufficient staff and infrastructure at IMA is resulting in inappropriate denial and termination of benefits.

In the past, we have come before this Committee to praise IMA. While we acknowledged the problems in administering numerous complex programs and the inevitable mistakes and problems with staff, we felt that the agency was generally on the right path.

Today, we are deeply concerned about the performance of IMA. 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. As a result, eligible individuals and families who need benefits are having their applications denied or their benefits terminated through no fault of their own.

While these trends would be disturbing at any time, they are particularly troublesome because of the economic crisis we are experiencing and the toll it is taking on the District's low-income residents. Caseloads for Food Stamps and TANF are rising – although for TANF, not as much as it should, given increases in unemployment – and this agency is not currently equipped to deal with this reality.

I am joined at the table by one of Legal Aid's clients, Ms. Neki Swinton. She will tell you how the problems in service center operations jeopardized her ability to feed herself and her children. Ms. Swinton's story is not unique. Over the past year, we have seen more cases involving lost paperwork and otherwise incorrect denials and terminations. Cases that we used to be able to resolve informally with a simple telephone call take much longer to resolve and require us to file fair hearing requests.

In examining the performance objectives outlined in DHS's FY 2010 Performance Plan for IMA, it does not appear that the agency appreciates the nature of this crisis. DHS's plans for on-line applications and web-based document management could make operations run better in the long term. However, in the short-term, the agency must invest resources to ensure the efficient administration of these safety net programs.

IMA has failed to implement the Food Stamp Expansion Act of 2009's provision creating categorical eligibility for individuals with income between 130 and 200 percent of poverty.

The District of Columbia Council mandated that IMA expand eligibility for the Supplemental Nutritional Assistance Program (SNAP), formerly known as Food Stamps, so that persons with incomes of up to 200% of poverty could receive benefits. The current gross income eligibility limit is 130 percent of poverty. By law, the change was required to be implemented by October 1, 2009; we are now being told it is March 16, 2010. As a result, thousands of District residents who are legally entitled to SNAP benefits have been denied essential support to secure adequate nutrition.

Again, the reasons for this delay are rooted in the agency's lack of resources to reprogram its computers and handle the increased number of applications for benefits. If the agency cannot implement this relatively straightforward statutorily required expansion, we are skeptical that the more grandiose vision outlined in the FY 2010 performance plan is not realistic.

The future of the District's Interim Disability Assistance (IDA) program appears in doubt.

IDA is a vital program for disabled individuals who are awaiting a decision on their Supplemental Security Income (SSI) benefits. When properly implemented by the District, it also brings in revenue to pay for itself by recouping SSI benefits that are ultimately received. In June 2009, IMA instituted a wait list for the IDA program meaning that the only way an eligible individual can receive IDA is for another person to be removed from the program. That wait list still remains meaning that approximately 500 people with disabilities – who will eventually be approved for SSI -- have been left with no income whatsoever.

The persistence of this wait list has resulted in obvious harm to the disabled individual who has no income and no ability to work. It also results in the District foregoing countless federal dollars. Currently, if an individual is approved for IDA, placed on the wait list and eventually approved for SSI, the District cannot recoup any of those SSI dollars to maintain the IDA program. Without these dollars, it is not clear how the wait list will ever be cleared.

We are also concerned that the agency has not promulgated any rules or policies to govern the wait list. As a result, there are crucial unanswered questions about how the

wait list is ordered – is it by the date of application or the date that paperwork is completed. Additionally, we have also seen a number of cases in which individuals have been terminated from benefits due to an error by the Social Security Administration (SSA), and it is only through persistent advocacy that benefits are restored.

Therefore, we are requesting that IMA find the funds to allow individuals off the wait list – including by establishing partnerships with legal services providers and pro bono attorneys to represent clients in Social Security administrative proceedings – and, as long as the wait list exists, promulgate rules to govern it so that there can be consistent administration.

The TANF Employment Program must be changed from its one size fits all approach to one that takes into account the individualized needs of participants.

One area in which DHS and IMA are taking positive steps is their reexamination of the TANF Employment Program. There is widespread agreement is that the current program with its focus on immediate job placement is not working. Employable beneficiaries are not receiving the skills, training and supports to get and maintain employment. The program also fails those recipients who are not employable by failing to consistently identify and accommodate their needs through exemptions or modification of program requirements.

We commend IMA for convening a set of roundtables to discuss problems with the current program and propose solutions for the future. Legal Aid and other advocates have been pleased to participate in these roundtables.

The District is about to begin negotiations for new contracts with third party vendors to help the District implement the TANF work requirements. These contracts should be consistent with the following principles:

- **The foundation of a successful TANF program is an individualized assessment of the strengths and needs of each TANF recipient.** Currently, most TANF recipients are treated the same. They are sent to a work vendor whose primary motivation is to get that person into a job, regardless of whether or not the job is appropriate or the individual is employable. Assessments are done haphazardly, if at all.

Before referring anyone to a work vendor, the District must perform a quality assessment of each recipient to determine whether he or she is employable and what barriers he or she may face. This process should be completed by someone with the skills and knowledge to identify barriers that may not be readily apparent.

- **Once assessments have been done, the District must ensure that there are a variety of quality services that recipients can access.** Under the current system, it is not clear whether there is a lack of quality services or whether vendors and recipients do not know how to access services that are available. We suspect that it is a combination of the two.

Moving forward, IMA must identify and establish linkages with education, training, and other services that will help both employable and non-employable recipients engage in productive activities. Then, the agency must ensure that there is a mechanism in place – through the agency, work vendors or some other entity -- to help recipients access these services.

- **Having one entity responsible for assessment, service linkage and job placement does not make sense and is not working.** The current vendors do not have the staff or expertise to do all three functions. In the next round of contracting, IMA could develop RFP's for vendors – like the current ones – to help employable recipients with job placement. Additional RFP's could be designed for entities who will screen for employability; these entities would have staff who are trained to identify barriers to work such as disability or domestic violence. And another entity could match clients who could become employable with additional training, education or supportive services with these opportunities.
- **The District must choose appropriate vendors and provide ongoing oversight of their performance.** However the next round of contracts are designed, there must be accountability for ensuring that TANF recipients receive the services they are supposed to be getting. Under the current system, the vendors often don't appear to be complying with their obligations, particularly in assessing work barriers and providing referrals to training, education and supportive services. We have been told that the vendors do not have the staff or expertise to perform these obligations. Therefore, in the next round of contracting, the District must ensure at the outset that contracted entities can fulfill their requirements and provide ongoing oversight to ensure such compliance with TANF laws and policies as well as contractual terms.
- **The District can work within budget pressures and inflexible federal requirements to design a program that will help recipients improve their lives.** If the District envisions its TANF programs to advance these principles, more families will be able to overcome barriers and either work or participate in federally approved work activities.

It is undeniable that the current federal work requirements adopted in 2006 are overly stringent even – many would say – unrealistic. It is also true that the District's current budget shortfalls would make proposals for vast new spending similarly unrealistic. But even with these realities, the District can still lay the groundwork for a program that will provide the individualized quality services we discuss above.

First, the District can try to meet federal work participation rates through activities other than unsubsidized employment. Vocational education is a countable work activity under federal law if the District modifies its program rules. Additionally, activities such as training and subsidized jobs can also count towards work participation rates but few recipients are engaged in these activities.

Second, IMA can create better linkages with existing education, training and supportive services that already exist in communities. Investing in existing, proven programs saves resources and can promote recipient participation by allowing recipients to remain in their communities rather than having to go across town.

Third, the District could take better advantage of available funding to invest in hiring additional and better trained staff. Also, the money that is currently being used for the vendor contracts could be reallocated to support this more individualized approach.

- **The District should not abandon its commitment to humane and progressive TANF policies that protect children.** Last year, there was a proposal to allow the District to terminate assistance to an entire family when the adults did not follow program rules. These sanctions do not accomplish the stated goal of their proponents – increasing work participation rates. Instead, studies show that they harm the most vulnerable families, and children in all families. We should at least try to make the TANF program more responsible to the needs of individual families – thus giving recipients more incentive to participate – before we consider making it even harder for already poor families to survive.

Conclusion

We understand that the District government has many difficult decisions to make. However, we urge the District to take the steps necessary to ensure that its most vulnerable residents will retain access to the benefits they need to support their families.