

**TESTIMONY OF KATIE KERSTETTER, POLICY ANALYST
DC FISCAL POLICY INSTITUTE**

**At the Public Hearing on the
Fiscal Year 2009-2010 Agency Performance Oversight Hearing
for the Department of Human Services
District of Columbia Committee on Human Services
February 17, 2010**

Good morning, Chairman Wells and members of the Committee. Thank you for the opportunity to speak today. My name is Katie Kerstetter, and I am a Policy Analyst with the DC Fiscal Policy Institute. DCFPI engages in research and public education on the fiscal and economic health of the District of Columbia, with particular emphasis on policies that affect low- and moderate-income residents.

I am here to share our concerns about the recent cuts to the Department of Human Services' (DHS) budget and the effects these cuts have had on the ability of the Income Maintenance Administration to meet its performance objectives for fiscal year (FY) 2010.

For the current fiscal year, IMA has four performance objectives. The first three relate to improving IMA's business processes and include implementing system improvements to facilitate a person-centric approach to service delivery, streamlining IMA center operations and improving quality assurance, and realigning IMA staff to better serve customer needs.

We are concerned that IMA does not have the resources it needs to perform its basic functions of determining eligibility and processing benefits and will have difficulty implementing the business process reforms outlined in its performance plan. The current recession has placed increased demands on IMA as more DC residents become unemployed and need help meeting their families' basic needs. Over the two-year period from October 2007 to October 2009, the number of DC residents applying for and receiving food stamps increased by nearly one-third or 27,000 residents. During this same period, IMA eliminated 99 eligibility determination services staff positions and closed two of its seven service centers. In just one year (from FY 2009 to FY 2010), the DHS budget was cut by \$24 million or 15 percent and the agency's budget recently was reduced by another \$3 million to address the most recent FY 2010 budget shortfall. The combination of increased demand and decreased capacity has led to residents having to wait for days simply to apply for assistance. IMA's goal for FY 2010 is wait times of no more than 100 minutes – a goal that it clearly is not able to achieve with its current level of resources.

Fortunately, there is federal funding that IMA can use to help meet the increased demand. The Department of Defense Appropriations Act recently allocated \$400 million to help states increase their capacity to serve rising food stamp caseloads. The District will receive \$1.5 million of this funding, which can be used to prevent further staff reductions and center closures as well as support IMA's proposed business process improvements. It is important that this funding is used to enhance IMA's existing level of funding to help the administration better meet its current challenges.

IMA's fourth performance objective is to implement Temporary Assistance to Needy Families (TANF), Medical Assistance and Food Stamp policy changes to improve integrity, access, and program efficiency.

This objective includes redesigning the TANF Employment Program (TEP) to better meet customer needs and support customer self-sufficiency goals. DHS has engaged agency and Council staff, advocates, and TANF recipients in a series of roundtables to discuss the redesign, and we have appreciated the opportunity to talk with agency staff about how to improve job training, education, and job placement services for the 16,000 District families currently receiving TANF benefits.

Our vision for a successful TANF Employment Program includes:

- **A consolidated assessment process with specialized staff employed to conduct assessments.** IMA should hire specialized staff or contract with an outside organization to provide an assessment for TANF recipients before they are referred to a vendor, social service provider, or other training organization.
- **More job training, education, and supportive services pathways for TANF recipients beyond the one-size-fits-all vendor approach.** Developing more pathways will allow the assessment to be used to direct TANF recipients to the most appropriate mix of services for them.
- **An effective orientation so that TANF recipients know their options and the services available to them.** The orientation should include oral and written information about the job training, education, and supportive services pathways available to TANF recipients as well as information about exemptions and programs within the TANF program, like POWER, that are available to help recipients with barriers to work.
- **Methods for TANF recipients to be both formally and informally assessed and referred to additional services as needs arise.** This should include developing a mechanism to flag and follow-up with recipients who are at vendors or training for long periods of time or who repeatedly cycle onto the TANF program. This mechanism should allow TANF recipients to be reassessed and referred to more appropriate services.

Another of IMA's initiatives for FY 2010 is the implementation of the Categorical Eligibility option for the District's Food Stamp Program. This option would increase access to food assistance for residents with modest savings and high housing and child care costs. Originally, IMA had planned to implement this option on October 1, 2009. However, implementation was delayed until January 2010 and has been delayed again until March 15. It is important to ensure that IMA has the resources it needs to be able to extend food stamp benefits to more families struggling with the current recession.

Finally, we are concerned about the current state of the District's Interim Disability Assistance (IDA) program. The IDA program provides District residents who have applied for SSI or SSDI benefits with a small monthly cash assistance benefit to help support them while they are waiting for their application to be approved by the federal government. In many cases, approvals can take up to a year or more, so IDA is an important source of support for individuals who are unable to work but still need help paying for rent and other basic necessities. Funding for the IDA program was cut in FY 2010 and as a result, about 750 DC residents are on a waiting list for benefits. Maintaining a waiting list for the program defeats the goal of IDA and threatens its future existence. Moreover, it places residents at risk of eviction and other hardship while they wait for their applications to be processed.

Thank you, Chairman Wells, for your leadership in helping to protect services for District families during a very difficult economic period.

Thank you very much for the opportunity to testify, and I am happy to answer any questions.