

**Testimony of Kate Coventry, Senior Policy Analyst  
At the Budget Oversight Hearing on the DC Department of Human Services  
DC Council Committee on Human Services  
April 12, 2018**

Chairperson Nadeau and members of the Committee, thank you for the opportunity to testify today. My name is Kate Coventry and I am a Senior Policy Analyst at the DC Fiscal Policy Institute. DCFPI promotes opportunity and widespread prosperity for all residents of the District of Columbia through independent research and thoughtful policy solutions.

I would like to focus my testimony on underspending in the agency, Interim Disability Assistance, and the SOAR program. Additionally, I would like to highlight the substantial investments made in the proposed homeless services budget but also to ask the Council to add additional funding as these investments fall far short of meeting the needs outlined in the District's plans to end homelessness. Without greater funding, far too many residents will remain homeless. For those experiencing chronic homelessness, this may mean a life cut short. For others, it means lacking the stability needed to make progress in their education and employment.

### **New TANF Policy Ensures DC Children Always Have Access to Vital Cash Assistance**

The fiscal year (FY) 2018 budget reformed DC's Temporary Assistance for Needy Families (TANF) program by repealing the District's rigid 60-month time limit, which had already slashed vitally needed benefits for thousands of families, and would have left approximately 4,000 DC families with no benefits at all. This repeal went into effect on April 1<sup>st</sup>, meaning that these families are now receiving \$576 per month rather than the reduced benefits of \$154. The FY 2019 budget includes funding to continue benefits for these families. Given that a large body of research finds that policies that help stabilize the incomes of low-income families have long-lasting positive effects<sup>1</sup> on a child's ability to succeed and that time limits harm families, DCFPI is thrilled with this policy and thanks the Department of Human Services, the DC Council, particularly the Committee on Human Services, and the other TANF Working Group members.

### **Underspending in the Local Budget**

DCFPI has concerns about underspending across the Department of Human Services (DHS) in FY 2017. DHS had an approved local funding budget of \$298.9 million. Nearly \$4.8 million was added to the budget after it was approved, bringing the total revised budget to \$303.7 million. DHS only spent \$293.6 million, \$5.3 million less than was originally budgeted and \$10 million less than the revised budget. This underspending occurs in a number of programs and DCFPI asks the Committee to review all of these instances of underspending.

DCFPI is particularly concerned about a pattern of underspending on Permanent Supportive Housing (PSH) for individuals experiencing homelessness. In FY 2016, DHS spent \$3.5 million less than was budgeted on PSH. In FY 2017, the agency reduced the program's budget during the year from \$21.3 million to \$20.9 million, and then only spent \$19.5 million, despite the hundreds of residents who had been assessed as needing PSH who did not receive a PSH placement.

## Interim Disability Assistance Will Be Available to Fewer Residents in 2019

Interim Disability Assistance (IDA) provides modest, temporary cash benefits to adults with disabilities who have applied for federal disability benefits (SSI) and are awaiting an eligibility determination. The wait-time for federal benefit determination has skyrocketed in recent years, from 350 days in 2012 to nearly 600 days in 2017, leaving residents too sick to work but lacking benefits.<sup>2</sup> IDA serves as a vital lifeline, allowing recipients to pay for basic needs such as transportation, medicine, and toiletries. IDA is paid for with a combination of local funding, reimbursement from the federal government, and funds from the SSI Payback Fund. When an individual is approved for SSI, the federal government reimburses the District for the IDA benefits the individual received. These reimbursement dollars are used to support the annual budget, and unspent funds are put into the SSI Payback Fund at the end of the year so the District can provide benefits for future IDA applicants.

Unfortunately, in past years, funds have been taken out of the SSI Payback Fund for other purposes, meaning the District is less able to provide IDA to recipients this year. More than \$1.3 million was repurposed in the FY 2018 budget for non-IDA purposes. This leaves the District with only \$19,000 in the fund balance. This, combined with a reduction to the anticipated annual federal reimbursement,<sup>3</sup> means that 415 fewer residents will receive benefits in FY 2019 than in FY 2018. This caseload is less than 25 percent of what it was when all those in need received benefits, around 2,750 residents in FY 2009 (*Figure 1*). DCFPI recommends that the Council add at least \$2 million to keep the caseload at the FY 2018 level.

## SOAR: Ensuring Residents Experiencing Homelessness Access Needed Benefits

SSI/SSDI Outreach, Access, and Recovery (SOAR) is an evidence-based, national best practice model designed to increase access to disability benefits to adults who are experiencing or at-risk of homelessness. The model was developed because nationally only about 14 percent of individuals experiencing homelessness are approved on initial application for these benefits.

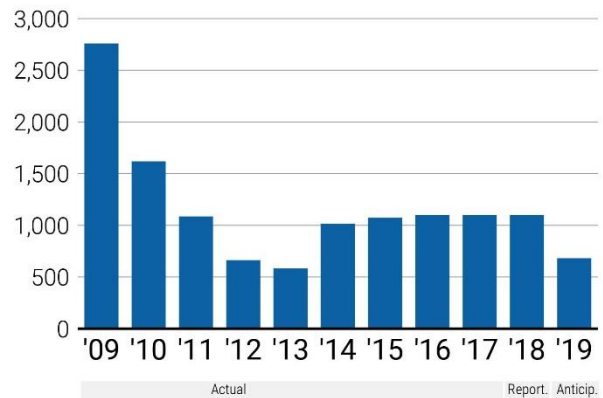
In the past two years, the District has started supplementing privately-funded SOAR efforts by providing local funds through DHS and federal funds through the Department of Behavioral Health (DBH). After some early implementation challenges, this new funding is paying off. DC SOAR has a 73 percent approval rate on initial applications, compared to a 64 percent national SOAR rate. Applications have increased by 79 percent. Recognizing these great results, the Substance Abuse and Mental Health Services Administration (SAMHSA) SOAR Technical Assistance Center named DC one of the “Top 10” in 2017.

Paying for a SOAR specialist costs about \$50,000 in salary and benefits. Given the current approval rate, each specialist can be expected to help 18 individuals secure benefits that will be at least \$8,831 annually.

FIGURE 1.

### IDA Caseload Less Than Quarter of When Program Served All In Need

Average monthly caseload.



Source: Department of Human Services.

DC FISCAL POLICY INSTITUTE | DCFPI.ORG

This translates into \$158,958 in income for residents experiencing homelessness, a more than \$3 return per dollar spent on staff costs in just the first year. In subsequent years, this return increases tremendously as the individuals approved in previous years continue to receive benefits and new individuals are approved.

In FY 2017 and FY 2018, DHS designated that some of the \$250,000 in one-time funding dedicated to coordinated entry be used for SOAR. For FY 2019, DHS is currently in talks with providers about funding SOAR through a different mechanism. DCFPI thanks the agency for leading these conversations and asks them to finish them as soon as possible so funding can be allocated in the FY 2019 budget if needed to continue this vitally needed assistance.

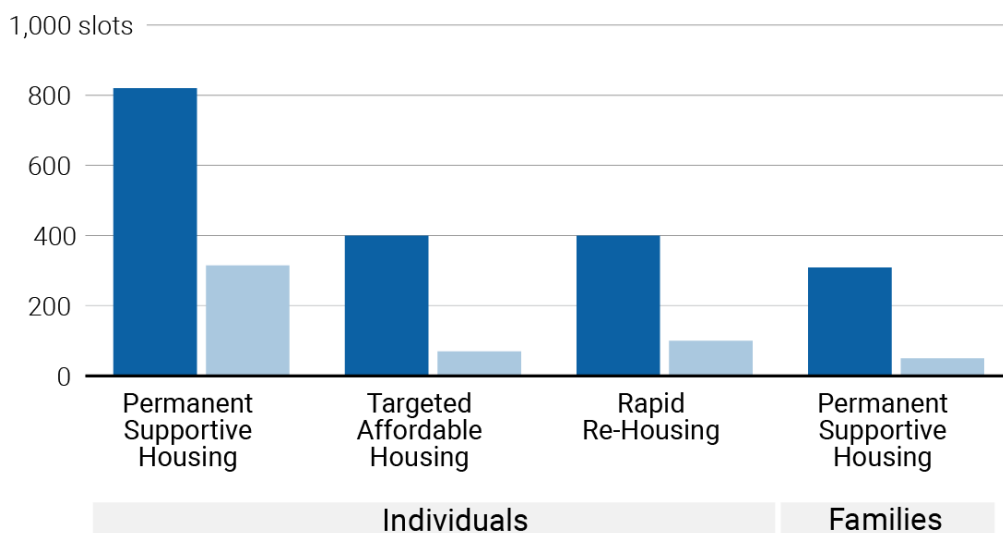
### Proposed Budget Makes Investments in Chronic Homelessness, But More is Needed

A large number of single adults in DC are chronically homeless, meaning they have been homeless for a long time and suffer from life-threatening health conditions and/or severe mental illness. Additionally, families can also experience chronic homelessness (see *Budget Makes Investments in Family Housing Programs* below.) DCFPI is a member of The Way Home, the campaign to end chronic homelessness in the District, which sets budget targets each year to meet the goal of ending chronic homelessness. For single adults, the proposed budget makes new investments, but does not meet these targets (*Figure 2*).

The proposed budget adds \$6 million in new funding to provide additional Permanent Supportive Housing (PSH) to 250 individuals. It also includes funds to build 15 PSH units for seniors at the new Ward 1 Family Shelter (see *Additional Funding Added for Construction and Operations of New Family Shelters* below for more information). The budget also adds \$28.1 million to build a PSH community for senior women. Many women staying in shelters have qualified for a PSH voucher to rent their own apartments but would prefer to live in community together. This new building will allow them to do that. The Way Home campaign

FIGURE 2.

### Proposed FY 2019 Investments Fall Short of What is Called for By The Way Home Campaign to End Chronic Homelessness



Source: Fiscal Year 2019 Proposed Budget & Financial Plan; The Way Home Campaign FY19 Budget Recommendations and Policy Priorities.

called for at least 820 PSH units because that is the number of individuals who have been assessed as currently needing PSH.

The budget adds \$1.1 million in new funding to assist individuals through Rapid Re-Housing, bringing the total budget to nearly \$6.7 million. RRH provides housing search assistance, supportive services, and short-term rental assistance, generally for 3 to 6 months. The program aims to move residents out of shelter as quickly as possible, which in turn allows more residents to access emergency shelter. The Strategic Plan calls for more than 2,000 slots of RRH, which need to be phased in over time due to implementation constraints.

The budget includes an additional \$1.3 million for Targeted Affordable Housing (TAH) for 70 individuals. TAH helps residents who need help paying rent after their Rapid Re-Housing ends or who no longer need the intensive services provided by PSH but still need help to afford housing. The Strategic Plan calls for 1,604 TAH slots in FY 2019. Recognizing this could not be implemented this year, The Way Home asked for 400 slots.

### **Budget Makes Investments in Family Programs, But Fails to Hit FY 2019 Targets**

The proposed FY 2019 budget includes \$3.2 million to add 100 new Rapid ReHousing (RRH) slots for families and adds \$3.4 million to the RRH budget to account for increased program costs. This brings the total RRH budget to \$40.6 million. RRH is a short- to medium-term subsidy program. Compared to the individual RRH program, the subsidy is generally longer, approximately 12 months.

The proposed budget also adds \$1.6 million for 50 additional Permanent Supportive Housing (PSH) units. The Way Home campaign called for 309 units for families experiencing chronic homelessness.

The budget includes \$2.1 million for 100 additional Targeted Affordable Housing (TAH) units. The actual need is difficult to measure based on existing data, but the investment falls short of what is called for in the Strategic Plan.

### **Significant Investments in Youth Homelessness, But DC Needs to Scale Up to Meet the Need**

Many youths who are experiencing homelessness do so without their parents or guardians and do not have children of their own. These “unaccompanied” homeless youth fall into two broad categories: those under age 18 and those who are 18 to 24 years old. In DC, youth under age 18 can only access housing and shelter dedicated to this population. Older youth, often called transition-aged youth (TAY), can access both TAY programs and adult housing and shelter.

The proposed budget continues the \$1.4 million in one-time funding that was included in the FY 2018 budget to maintain 5 transitional housing beds, 10 shelter beds for minors, and 42 aftercare service slots moving forward. Aftercare provides individually tailored services to formerly homeless youth and their host family or friends to ensure that the housing placement is stable. These services can include conflict mediation and referrals to mental health and other services.

The budget adds an additional \$500,000 for a new 24-hour Drop-In Center, a facility the District currently lacks. The budget also includes \$660,000 for 30 new shelter beds for youth aged 18 to 24. Finally, the budget includes \$250,000 for 5 new transitional housing beds and \$300,000 for 10 new PSH beds.

As a member of the DC Alliance of Youth Advocates (DCAYA), DCFPI calls for further investments in youth homelessness so DHS can scale up to meet the need. With an additional \$300,000, the proposed 24-

Hour Drop-In Center can provide mental and physical health, dental, and domestic violence services onsite. With \$855,000 and \$358,992 respectively, the District should add 19 additional transitional beds and 12 additional PSH beds, meeting the Year 2 targets laid out in the Comprehensive Plan to End Youth Homelessness. Finally, we ask for \$98,000 for additional aftercare slots.

### **Domestic Violence Survivors Need Shelter and Housing**

Domestic violence is one of the leading causes of homelessness and domestic violence service providers frequently must turn survivors away because of lack of capacity. Twenty-eight percent of survivors in D.C. who called the National Domestic Violence Hotline between January and June 2017 cited shelter as their principal need.<sup>4</sup> On a single day in 2017, domestic violence service providers were unable to meet 33 requests for housing.<sup>5</sup> With an additional \$5.5 million, 132 survivors fleeing domestic violence can access emergency shelter and 67 survivors can access transitional housing, with supportive services.

### **Fund Two Public Restrooms and Launch Business Incentive Program**

DC has only three public restrooms that are open 24 hours. This leaves many residents, particularly residents experiencing homelessness, with no place to go. The District should invest \$600,000 to ensure that public restrooms are available to residents. With \$400,000, the District can support two 24-hour standalone public restrooms in high-traffic neighborhoods that currently lack them. With \$200,000, the District can offer incentives to businesses to open their bathrooms to the public.

Thank you, and I am happy to answer any questions.

---

<sup>1</sup> When Every Dollar Counts: Child Poverty Has Lasting Negative Effects, But Even Small Income Boosts Can Help. DCFPI. 2016 <https://www.dcfpi.org/wp-content/uploads/2016/02/When-Every-Dollar-Counts-Child-Poverty-Income-and-TANF-final.pdf>

<sup>2</sup> “597 Days and Still Waiting.” Terrence McCoy. *The Washington Post*. 11 Nov. 2017.

<http://www.washingtonpost.com/sf/local/2017/11/20/10000-people-died-waiting-for-a-disability-decision-in-the-past-year-will-be-next/>

<sup>3</sup> In the past few years, federal reimbursement has been budgeted at \$1 million but the District has only received \$800,000. So, the FY 2019 budget reduced from FY 2018 to reflect this lower reimbursement

<sup>4</sup> National Domestic Violence Hotline, January - June 2017 Washington D.C. Report.

<sup>5</sup> The National Network to End Domestic Violence, National Census of Domestic Violence Services 2017.