

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

**Before the Committee of the Whole
Council of the District of Columbia**

Budget Oversight Hearing Regarding:

**Bill 22-0754
"Fiscal Year 2019 Local Budget Act of 2018,"**

**Bill 22-0755
"Fiscal Year 2019 Federal Portion Budget Request Act of 2018"**

and

**Bill 22-0753
"Fiscal Year 2019 Budget Support Act of 2018"**

April 27, 2018

The Legal Aid Society of the District of Columbia¹ submits this testimony to highlight steps we believe the Council should take as it considers the Mayor's proposed FY19 budget. Our testimony today will focus on three areas that are of particular importance to the clients we serve. We urge the Council to:

1. Protect enrollees in the District's Healthcare Alliance program, who are needlessly losing their health coverage due to the program's burdensome and unnecessary re-certification requirements;
2. Reverse the Mayor's proposed cuts to the Emergency Rental Assistance Program (ERAP) and fund the program at a level consistent with community need; and
3. Address broader trends of housing instability, homelessness, and displacement from the District by increasing investments in safe, affordable housing for the District's lowest-income residents.

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." Over the last 85 years, tens of thousands of the District's neediest residents have been served by Legal Aid staff and volunteers. Legal Aid currently works in the areas of housing, family law, public benefits, and consumer protection. More information about Legal Aid can be obtained from our website, www.LegalAidDC.org, and our blog, www.MakingJusticeReal.org.

Legal Aid has testified at performance oversight and budget oversight hearings this year regarding steps that District agencies need to take to better serve low-income District residents who turn to these agencies in times of need. In our testimony, we have focused on the barriers that our clients continue to encounter when trying to get help, and have made policy recommendations that would reduce or remove these barriers. Additionally, with regard to affordable housing and homelessness in the District, we have discussed broader trends that impact our clients' lives, including escalating rents and persistent income inequality. It is clear to us that our government needs to do more to stem the tide of displacement that is driving even longtime District residents out of their homes and communities, changing the face of the city.

We testify today to urge the Council to invest in changes that will break down barriers for our clients and begin to address the larger forces that are pushing our clients out of the District.

PROTECT HEALTHCARE ALLIANCE ENROLLEES BY FUNDING THE DC HEALTHCARE ALLIANCE RE-ENROLLMENT REFORM AMENDMENT ACT

The Healthcare Alliance program plays a vital role for very low-income District residents who are not eligible for Medicaid, allowing them to maintain health insurance and receive the medical care that they need. However, the program's recertification policy, which requires enrollees to recertify – in person – every six months, has long caused problems for the program and its beneficiaries. In order to recertify, a person must go to a Department of Human Service (DHS) service center where staff are tasked with conducting the program's "in-person interviews" and confirming eligibility. However, as we testified at the DHS and Department of Health Care Finance (DHCF) budget hearings, the service centers are plagued by long lines and capacity limitations, which require people who want to meet with DHS staff to line up outside in the pre-dawn hours of the morning – between 3 and 4 AM, or even earlier.² The service centers' dysfunction, which is a longstanding problem,³ makes it extraordinarily difficult for enrollees to

² See, Testimony of Carolyn Rumer, Equal Justice Works Fellow Sponsored by Latham and Watkins, Legal Aid Society of the District of Columbia, Before the DC Council Committee on Human Services, April 12, 2018, available at <https://www.legalaiddc.org/wp-content/uploads/2018/04/Legal-Aid-Budget-Testimony-re-DHS-Public-Benefits-FINAL.pdf>, pp. 3-5. See, also, Testimony of Damon King, Senior Policy Advocate, Legal Aid Society of the District of Columbia, Before the DC Council Committee on Health, April 19, 2018, available at <https://www.legalaiddc.org/wp-content/uploads/2018/04/Legal-Aid-FY19-Budget-Testimony-re-DHCF-FINAL2.pdf>, pp. 1-3.

³ Legal Aid has testified on multiple occasions over the years about problems at the service centers. See, e.g., Testimony of Carolyn Rumer, Equal Justice Works Fellow Sponsored by Latham and Watkins, Legal Aid Society of the District of Columbia, Before the DC Council Committee on Human Services, March 8, 2018, available at <https://www.legalaiddc.org/wp-content/uploads/2018/03/Legal-Aid-FY17-18-Performance-Oversight-Testimony-re-DHS-Service-Centers-Alliance-SNAP-FINAL.pdf>, pp. 1-4; Testimony of Carolyn Rumer, Equal Justice Works Fellow, Chelsea Sharon, Staff Attorney, Curt Campbell, Staff Attorney, Jennifer Mezey, Supervising Attorney, Legal Aid Society of the District of Columbia, Before the DC Council Committee on Human Services, March 15, 2017, available at <https://www.legalaiddc.org/wp-content/uploads/2017/03/CRumer.3.15.17.pdf>, p. 3; Testimony of Curt Campbell, Staff Attorney, Legal Aid Society of the District of Columbia, Before the DC Council Committee on Health and Human Services, February 25, 2016, available at <https://www.legalaiddc.org/wp-content/uploads/2016/02/ccampbell2-25-16.pdf>, pp. 2-3.

stay covered, and our clients' experiences and DHCF's own recent data⁴ strongly suggest that re-certifications are causing perfectly eligible enrollees to needlessly lose their coverage.

Last year, the Council recognized that it could not allow Alliance enrollees to continue to be dropped from their health insurance, passing the DC Healthcare Alliance Re-Enrollment Reform Amendment Act without a single "no" vote.⁵ The Act shifts the Alliance's re-certification schedule from every six months to an annual schedule similar to Medicaid, and allows enrollees to satisfy the in-person interview requirement at community health centers, potentially giving enrollees more re-certification options and spreading the re-certifying population among a larger number of sites (potentially reducing wait times).

In spite of the Act's overwhelming support, however, the Mayor declined to fund it in her proposed budget, allowing the current damaging recertification policy to continue. This is unacceptable, and we urge the Council to do what the Mayor did not: fund the Act and put it on the path to implementation in FY19.

REVERSE THE MAYOR'S PROPOSED CUTS TO ERAP AND FUND THE PROGRAM AT A LEVEL CONSISTENT WITH COMMUNITY NEED

ERAP is a proven intervention that allows the District's lowest-income tenants to prevent eviction and remain in their homes. At a time when low or unstable incomes and rising rents mean that many District households are just a single emergency away from eviction and displacement, there is little question of the program's value. And yet, the Mayor's proposed budget for DHS includes a cut of \$1.765 million to ERAP for FY19. Since the program's budget was already cut by roughly \$2 million in FY18,⁶ the Mayor's proposal would mean that, in the space of just two years, ERAP's budget would be slashed by roughly \$3.8 million – about 40%.

The Mayor's repeated cuts to ERAP are particularly galling because our experience tells us that the program is woefully underfunded. As we testified during DHS's budget hearing, each year, Legal Aid works with dozens of clients who need ERAP assistance in order pay their back rent and remain in their homes.⁷ Yet, in our experience, during the second half of each fiscal

⁴ In 2015, for example, between 56% and 71% of Alliance enrollees who were due to recertify each month did not complete the re-certification process. For further discussion, *see*, Testimony of Chelsea Sharon, Staff Attorney, Jennifer Mezey, Supervising Attorney, Legal Aid Society of the District of Columbia, Before the DC Council Committee on Health March 8, 2017, p. 1. Available at: <https://www.legalaiddc.org/wp-content/uploads/2017/03/CSharon-03-08-2017.pdf>. More recently, DHCF FY17 performance oversight data show that nearly one-third (31%) of Alliance enrollees who were terminated in FY17 re-enrolled within a year. This means that almost a third of Alliance beneficiaries who lost their benefits were found to be eligible for the program a short time after their termination, raising questions about whether their termination was due to a genuine eligibility lapse. *See*, Testimony of Carolyn Rumer, *supra*, note 3, pp. 1-2 (citing DCHF FY17-FY18 Performance Oversight Responses, Q46).

⁵ The Act passed the Council by votes of 13-0 and 12-0. *See*, <http://lims.dccouncil.us/Legislation/B22-0231?FromSearchResults=true>

⁶ *See*, DC Fiscal Policy Institute, FY19 Budget Toolkit, available at <https://www.dcfpi.org/wp-content/uploads/2017/08/Homeless-Services-Toolkit-FY-2018-Approved.pdf>

⁷ *See*, Testimony of Amanda Korber, Staff Attorney, Legal Aid Society of the District of Columbia, Before the DC Council Committee on Human Services, April 12, 2018, available at: <https://www.legalaiddc.org/wp->

year the program runs out of funds and can no longer serve anyone.⁸ This means that, for a family facing eviction for nonpayment of rent, whether they get to remain in their home often depends on what month they were sued for eviction. This is already unacceptable, and the Mayor's proposed cut would make the situation even worse.

Over multiple budget cycles, the Mayor has chosen to continually target a popular program that keeps very low income District residents in their homes and is already funded below what is necessary to address community need. The Council should use this budget cycle to make clear that this is unacceptable. Not only should the Council reverse the Mayor's proposed cuts, it should work with the legal services community to identify a funding level that will allow the program to be available year-round to all eligible tenants in FY19.

FURTHER INVEST IN SAFE, AFFORDABLE HOUSING FOR LOW-INCOME DISTRICT RESIDENTS

Legal Aid attorneys see the effects of the District's affordable housing crisis every day in our work. We see families with longstanding connections to the District, who built lives here, displaced from their homes and communities. We see families who once had a place to call home fall into homelessness or persistent housing instability. And even among those who have housing, low-income tenants continue to struggle with housing that is in deplorable condition, endangering their health and safety.

In many ways, the Mayor's proposed budget doesn't do enough to address these realities, and there is a real disconnect between her proposal and what we see on the ground. As we noted at DCHA's budget hearing, the Mayor's proposed budget allocates no new money for Local Rent Supplement (LRSP) vouchers that would pull tenants off of DCHA's waiting list.⁹ It does not make sufficient investments in public housing repairs, leading to public housing tenants living in terrible conditions (as discussed by both tenants and advocates during the same DCHA budget hearing).¹⁰ And, as we discussed during the Department of Housing and Community Development budget hearing, although the Mayor has proposed a substantial investment in the Housing Production Trust Fund (HPTF), a larger investment (along with a stable, on-going commitment) is necessary to address the full scope of the displacement trend that is destroying our lowest-income communities.¹¹ Further, our DHS budget hearing testimony discusses a gross imbalance in how that Mayor is allocating funds for families struggling with homelessness – one that, year after year, is leading to runaway spending on the temporary and troubled Rapid

[content/uploads/2018/04/Legal-Aid-Budget-Testimony-re-DHS-Housing-Programs-FINAL-UPDATED-4-17-2018.pdf](https://www.legalaiddc.org/wp-content/uploads/2018/04/Legal-Aid-Budget-Testimony-re-DHS-Housing-Programs-FINAL-UPDATED-4-17-2018.pdf), pp. 3-4.

⁸ *Id.*

⁹ *See*, Testimony of Amanda Korber, Staff Attorney, Legal Aid Society of the District of Columbia, Before the DC Council Committee on Housing and Neighborhood Revitalization, April 20, 2018, available at: <https://www.legalaiddc.org/wp-content/uploads/2018/04/Legal-Aid-FY19-Budget-Testimony-re-DCHA-FINAL.pdf>, pp. 1-2.

¹⁰ *Id.*, at p. 3.

¹¹ *See*, Testimony of Beth Mellen Harrison, Supervising Attorney, Legal Aid Society of the District of Columbia, Before the DC Council Committee on Housing and Neighborhood Revitalization, April 13, 2018, available at: <https://www.legalaiddc.org/wp-content/uploads/2018/04/Legal-Aid-FY19-Budget-Testimony-re-DCHD-HPTF-FINAL.pdf>, pp. 1-5.

Rehousing program and insufficient investment in permanent vouchers that are particularly important for addressing family homelessness.¹²

In light of this, Legal Aid joins with fellow members of the Fair Budget Coalition to make the following recommendations:

- Allocate \$26 million for 1,300 tenant-based LRSP vouchers
- Allocate \$26 million for 1,300 project-based LRSP units; and
- Invest \$40 million in public housing repairs

Regarding the Trust Fund, Legal Aid recommends that the Council:

- Guarantee a minimum annual funding level of \$120 million by passing Bill 22-0226, the Housing Production Trust Fund Guarantee Funding Amendment Act of 2017, as part of the Budget Support Act; and
- Seek to make investments above and beyond this amount in FY19 and in subsequent years. We believe that the Fair Budget Coalition's recommendation of \$287 million for FY19 reflects current need.

Finally, regarding services for families who have fallen into homelessness and are seeking help from the homeless service system, we join with fellow legal services organizations in recommending that the Council make the following re-allocation within the homeless services budget to re-align the District's homeless services investments with the Mayor's own plan to end homelessness, as reflected in Homeward DC:

- Reallocate the \$6.6 million increase that the Mayor is seeking for Rapid Re-Housing in FY19 towards TAH and PSH for families in Rapid Re-Housing and shelter.
- Reallocate an additional \$3.1 million of Rapid Re-Housing funds towards TAH and PSH for families in Rapid Re-Housing and shelter.¹³

As we have discussed during both performance oversight and budget oversight, this reallocation should be a first step toward a larger re-thinking of the role of Rapid Rehousing that is desperately needed, as we continue to believe that the program is a bad fit for a family homelessness crisis in the District that is driven by a substantial housing affordability gap.

CONCLUSION

We appreciate the opportunity to testify regarding the Mayor's proposed budget. As the Council moves toward committee mark-ups, we would be happy to continue to work with you to implement the above recommendations.

¹² See, Testimony of Amanda, Korber, *supra*, note 7, at pp. 2-3.

¹³ See, Letter to Councilmember Nadeau from Bread for the City, Children's Law Center, DC Law Students in Court,

Legal Aid Society of the District of Columbia, and Washington Legal Clinic for the Homeless, dated April 11, 2018.