

Fair Budget Coalition

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FEBRUARY 2009

*SHARED CHALLENGES, SHARED SOLUTIONS, SHARED OPPORTUNITIES***CREED
OF A JUST AND INCLUSIVE
COMMUNITY**

We are committed to realizing a vision of the District of Columbia as a “city on a hill,” a model of justice, inclusion, and compassion; a community which respects the rights and dignity of all its members while striving for the common good.

We believe that such a community:

- Ensures a secure and affordable home to all;
- Provides adequate jobs, a living wage, and income security for all;
- Provides all with the education and training necessary for an improved quality of life;
- Guarantees environmental health and safety to all;
- Ensures that all have access to excellent medical care;
- Remedies the diseases of substance abuse and mental illness with encouragement, support, and quality treatment services;
- Provides our incarcerated brothers and sisters with humane treatment and the opportunity for rehabilitation;
- Maintains an effective “social safety net” that can minimize the impact of crises on the lives of women, men, and children; and
- Exercises self-determination vis-à-vis local budget, policies, and law.

(Revised version of creed endorsed by more than 300 faith, neighborhood, political, service, business groups and individuals of the District of Columbia in 1999.)

SHARED CHALLENGES, SHARED SOLUTIONS, SHARED OPPORTUNITIES

FAIR BUDGET COALITION MEMBERSHIP

The Fair Budget Coalition fights for a just and inclusive District of Columbia through advocacy and organizing and by advancing budget and public policy initiatives which reflect the interdependency of the District's community and economic development systems. Organized in 1994, Fair Budget is a coalition of grassroots community groups, human service providers, advocates, faith organizations, and concerned community members.

ORGANIZATIONAL MEMBERS

Academy of Hope	DC Hunger Solutions	Mary's Center for Maternal & Child Care
The Arc of DC	DC Jobs Council	National Student Partnership
Bread for the City	DC Jobs with Justice	The Nonprofit Roundtable of Greater Washington
Capital Area Asset Building Corporation	DC Law Students in Court	Our Place, DC
Capital Area Food Bank	DC LEARNS	Perry School Community Services Center
Catholic Charities	DC Primary Care Association	Positive Force DC
Center for Nonprofit Advancement	DC Statehood Green Party	Prevention Works, Inc.
Centro Ni'a	DC Tenants Advocacy Coalition	Project South DC
The Children's Law Center	DC Women's Agenda	Quality Trust for Individuals with Disabilities
Coalition of Housing & Homeless Organizations	Empower DC	Sasha Bruce Youthworks
Coalition for Smarter Growth	Gray Panthers	SOME, Inc.
Community of Hope	Healthy Families	Tenant Action Network
Community Services Agency/Metro	Thriving Communities Collaborative Council	UDC David A. Clarke School of Law
Washington Council AFL/CIO	Homeless Children's Playtime Project	University Legal Services
Cornerstone, Inc.	Jews United for Justice	Washington Legal Clinic for the Homeless
Covenant House	Jubilee Jobs	We Are Family
DC Action for Children	Jubilee JumpStart	Wider Opportunities for Woman
DC Alliance of Youth Advocates	Latino Economic Development Corp.	Women Empowered Against Violence
DC Central Kitchen	League of Women Voters	
DC Employment Justice Center	Legal Aid Society of the District of Columbia	

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ACKNOWLEDGEMENTS

The Fair Budget Coalition would like to give special thanks to Cary Silverman, Esq. and his colleagues at the law firm of Shook, Hardy & Bacon L.L.P. for their generous assistance in editing and producing this report. The Coalition counts on support from all corners of the District as we advocate for a just and inclusive community; we are grateful to Cary and his firm for standing with us in this important work.

SHARED CHALLENGES, SHARED SOLUTIONS, SHARED OPPORTUNITIES

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EXECUTIVE SUMMARY

In the past several years, the District of Columbia has experienced unprecedented economic growth, while also experiencing the widest income gap between the rich and the poor. During this time:

- 27,000 DC residents fell into poverty;
- 12,000 units of affordable housing were lost;
- 20% of working DC residents saw earnings stagnate below \$11 per hour;
- Rental costs became unaffordable to nearly two-thirds of renting households; and
- A full 50% of children and youth are overweight, contributing to many other negative health factors.

To compound the issue, the city now faces significant revenue shortfalls, the result of failing financial and housing markets and a global economic slowdown not seen in decades. As we release this report, the current recession has already lasted longer than the two that preceded it, and is not expected to begin to abate for at least 18 months. Unfortunately, poor DC residents will feel the greatest pressure. District residents need the executive and legislative branches of government to show leadership at this challenging time. The Mayor and the Council must work together to protect services for those residents least able to weather the economic storms we will face.

In light of expected budget shortfalls, the DC government must increase its focus on program efficiencies across the board. In addition, our leaders must hold the line as much as possible on cuts that disproportionately harm our most vulnerable neighbors. By protecting the ability of its residents to stay in their homes, travel to work and buy food and other necessities, District leaders can prevent the budget-busting impact of increases in homelessness, unemployment, poor health, and hunger. Further, by investing directly in those programs that assist its lowest-income citizens, the District can actually stimulate its own economy, thereby encouraging economic development and job creation.

All citizens are affected by the decisions made during this critical time and have a right to understand the choices and impacts of those choices. Our District leaders must ensure meaningful inclusion during their deliberations, providing opportunities for public input and access to information regarding revenue figures and proposals, as well as a clear explanation of the effects of budget-balancing. Our leaders are accountable for ensuring that the priorities and values expressed for DC residents result in meaningful investment that enhance, not compromise, their quality of life.

Each year, the Fair Budget Coalition compiles a budget recommendation report developed through a broad community input process led by our membership of experts: social and legal service providers, advocates and community members. Our members are front-line professionals who address the needs of our most vulnerable populations on a daily basis.

These recommendations are in no way intended to reflect the entirety of needs; instead, they reflect core issue areas in which our members have particular expertise. These recommendations represent Fair Budget's alternate vision of resource allocation that equalizes human development with economic development. They are reflective of the times in which we live, but also portend a more positive future. Our city cannot truly thrive until all of its residents have good health, stability and genuine opportunities to contribute.

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The Fair Budget Coalition's 2010 Budget Recommendation report, "Shared Challenges, Shared Solutions, Shared Opportunities," focuses on nine issue areas:

Workforce Development	Policy \$500,000	Ensure key workforce development leadership positions are filled by quality professionals with a strong, demonstrated commitment to workforce development. Expand adult literacy programs to serve 500 residents on waitlists for ABE, GED, ESL, EDP.
Homeless Services	Policy	Adopt legislation to implement the Administration's plan to transform homeless services from a system rooted in warehouse shelters to one rooted in housing with small, humane shelters that will provide an emergency safety net for the District's residents.
Housing	\$15 million	Increase funding for the Local Rent Supplement Program, the District's most flexible and effective way to provide affordable housing for very low-income households.
TANF	\$2.7 million	Restore the FY2009 TANF cash assistance cut and provide a cost-of-living increase to more than 15,000 households.
Food Stamps	\$0	Expand access to federal food stamp benefits by adopting categorical eligibility.
Food & Nutrition	\$1 million	Create a Fresh Food Opportunity Bank to increase access to healthy affordable food.
Health & Disability	\$0	Provide mental health care benefit to DC Alliance members through reallocation of \$2.6 million in cost savings from closure of DC Community Services Agency.
Children & Youth	\$0	Data collection for the Infants and Toddlers with Disabilities Division (Early Intervention- Part C IDEA) to efficiently secure federal funds and support DC efforts for a comprehensive plan.
Tax & Revenue	\$11 million	Provide property tax relief to as many as 23,000 low-income DC households by updating the Schedule H property tax credit's income eligibility and maximum credits.

This report documents the need for adequate funding of services that help low-income residents meet their daily needs and move up the economic ladder. But successful programs need more than that. They need to be well-planned and well-run, and those who manage them need to work to reach all eligible residents--Leadership, Accountability and Inclusion. The District must effectively garner its resources to ensure every resident has a safe place to live, access to good jobs, health care and other support services needed not only to survive, but thrive, in the District of Columbia. Only then can the nation's capital truly be a just and inclusive community.

*SHARED CHALLENGES, SHARED SOLUTIONS, SHARED OPPORTUNITIES***FISCAL YEAR 2010 GOALS:
LEADERSHIP, ACCOUNTABILITY AND INCLUSION**

We believe the hallmarks of well-run programs are **Leadership, Accountability and Inclusion**. We hope that fiscal year 2010, in addition to providing adequate funding levels, will bring an increased focus on these fundamental principles that should weave through all of the District's services for low-income residents.

Leadership

Many DC agencies now struggle with a lack of experienced and sustained leadership. Several key agencies have lost their directors and have vacancies or interim directors — including the Department of Employment Services, the Child and Family Services Administration, the Adult Literacy Services office within the Office of the State Superintendent of Education, and the Office of the Rent Administrator. Agencies cannot function efficiently without solid leadership.

In some cases, the leadership crisis is part of a larger agency crisis. The director of CFSA, for example, resigned after the deaths of a number of children that were connected to the child welfare system. In addition to her departure, a number of staff were furloughed, creating a morale crisis at the agency that is making it hard to fill vacancies.

A final sign of a lack of leadership is the District's failure to fill open seats on the Poverty Commission. The Commission was established by legislation in 2006 "to evaluate programs designed to help District residents break the cycle of poverty, to make recommendations to improve the economic, educational, healthcare, and housing status of District residents living in poverty, and to focus on efforts aimed at reducing the rates of concentrated poverty and childhood poverty in the District." The Commission held one meeting and was allowed to expire on December 31, 2008, not carrying out the intent of the legislation.

Improving the leadership of agencies serving low-income DC residents should be a top priority.

Accountability

All DC services, but especially programs serving our neediest residents, need to be held accountable for the wise spending of public funds and efficient delivery of services.

A key starting point for higher accountability is improved transparency in the District's budget. Too often, the DC budget fails to lay out an agency's programs and services in an understandable and transparent way, making it difficult or even impossible to track funding for key services. In many cases, critical programs— such as mental health housing — are not mentioned in the budget at all or are given only a single line item — such as one line item for the \$155 million TANF program that covers dozens of services.

Finally, the performance indicators for many agencies simply fail to cover the most important aspects of that agency's services, giving residents little useful information on the services that their tax dollars fund.

Improving the layout and detail within the DC budget, combined with better access to meaningful output and performance measures, is an important prerequisite to enabling residents to increase DC government accountability.

*SHARED CHALLENGES, SHARED SOLUTIONS, SHARED OPPORTUNITIES***Inclusion**

Inclusion reflects the goal of allowing all DC residents to access the services they need to live a fulfilling life. It also means involving residents in important decisions affecting their lives.

Most importantly, DC government agencies need to design services to meet the needs of residents with disabilities and residents with Limited English Proficiency. Federal law requires equal access to public facilities and services for people with disabilities, and DC's Language Access law requires access to DC services for LEP residents through the provision of written materials and bilingual services in multiple languages.

While these policies look good on paper, they are not always reflected in the reality of service delivery in the District. We urge DC's leaders to focus in 2010 on improving the ability of all residents to obtain the services they need.

Having a living wage job is also important to a spirit of inclusion in DC. The DC Council passed legislation in 2006 to mandate a living wage — \$11.75 per hour, adjusted for inflation each year — for all workers employed by businesses with DC government contracts and businesses receiving DC economic development subsidies. Yet the District has not provided adequate funding in contracts and grants to social services providers to allow them to pay their workers a living wage. In many cases, grant amounts to social service providers did not grow at all when the District mandated the living wage. The District should undertake an assessment of the funding needed to allow social service providers to pay the living wage, and then provide that level of funding.

Finally, the DC government needs to include low-income residents in decisions that affect their lives, including budget decisions as well as changes in health care, housing, and homeless service programs. The DC Council and government agencies need to make extra efforts to ensure that the voices of low-income residents and communities are sought, heard, and incorporated into decision making. Among other things, including low-income residents on the Poverty Commission would help meet this goal.

*SHARED CHALLENGES, SHARED SOLUTIONS, SHARED OPPORTUNITIES***WORKFORCE DEVELOPMENT**

Need Statement: In addition to meeting funding needs, a strong workforce development system requires filling key leadership positions with quality professionals holding a strong, demonstrated commitment to providing individuals with the tools for economic independence: the Workforce Investment Council Executive Director, and the WIC Chair. The community hopes that the recent appointment of an Interim Director of DOES will allow the department to address short- and long-term challenges, and begin to work with community organizations to serve District residents more effectively. In filling these positions, the government should develop a structure that facilitates coordination among the relevant public agencies, the DC Council, and the private and non-profit sectors, and that provides direct access to the Mayor. Without leadership and coordination, maximizing resources for the benefit of those in need of workforce development services will be difficult and excessively time-consuming.



“Without education, it is hard to find a decent job to support your young family.”

*– Teoni Moore
a formerly homeless youth*

The District should engage the private and non-profit communities in determining appropriate criteria for selecting these critical leaders. These networks offer entrée to a broad range of qualified individuals who may be interested in serving the District of Columbia. It is imperative, in any event, that the government conduct any search in a transparent and inclusive manner.

Recommendation: We recommend that District leaders in both the Executive and Legislative branches commit to filling these key workforce development leadership positions with qualified individuals through an open search process as soon as possible.

Benefits to the District: Once committed leaders are installed in these critical positions, it will be possible to take the steps necessary to improve the District’s workforce system. These steps include:

- Implementation of a data-driven oversight system of workforce development agencies and providers, coordinated with the CAPStat system, using outcome and performance data coupled with surveys of employers, job training programs, and job seekers, to ensure programs and services meet the self-sufficiency needs of DC’s diverse communities.
- Reconfiguration of the One-Stop system to include accessible satellite offices and central Career Centers, based on recently-completed research – possibly co-located with other District agencies and/or non-profit organizations -- offering comprehensive career counseling and assessments, along with referrals to qualified and effective agencies providing customers with services to meet their specific needs.
- Linkage of workforce and economic development strategies, including Tax Increment Financing (TIF), Community Benefit Agreements (CBAs), and a Unified Development Budget (UDB), to ensure District residents benefit directly from jobs created by development projects.
- Prioritization of government funds to offer programs filling the full range of work-related needs, including not only literacy and job training, but also access to child care, transportation, income supports, and case management, among others, to ensure District residents can find and keep good jobs.

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WORKFORCE DEVELOPMENT ADULT LITERACY

Amount Requested: \$500,000 to increase direct grants for programs providing adult education services (ABE, GED, ESL, EDP).

Cost Analysis: \$450,000 would provide instruction to 500 persons, the average number of residents on waiting lists in adult literacy programs throughout District at any one time. \$50,000 would offset the small reductions in federal funding for adult education over the last two years.

Department: Office of the State Superintendent of Education (OSSE).

Need Statement: Thousands of DC residents are unable to benefit from further investments in our workforce development system unless they acquire the basic skills necessary to successfully enter and complete these programs. Of the 469,000 DC residents aged 16 and older, an estimated 36% function at the lowest levels of literacy.

Addressing a problem of this size and scope will require substantial public and private investment in adult literacy—and we strongly suggest that the city develop a plan to do so in the coming years. In the meantime, however, existing adult education providers in the District that receive government funds have proven effective—according to OSSE, in 2007, nearly 80% of adult learners served by District-funded programs advanced at least one literacy level after completing a minimum twelve hours of instruction.

At any given time, however, according to surveys conducted by D.C. LEARNs, an average of 500 residents are on waiting lists for each of these programs. Additional funding for these programs would ensure that adults on waiting lists have the chance to improve their lives and the lives of their families.

Benefits to the District: More adults involved in adult education programs will increase the potential pool of DC residents qualified to enter training and apprenticeship programs and postsecondary education.

The benefits do not stop there: For example, the national report from the National Commission on Adult Literacy, released in June 2008, notes that educated and literate adults greatly benefit the communities in which they live: they are more likely to vote in elections, to participate in civic engagement, to become citizens, to have better health and health care, and to have lower incarceration rates. Moreover, literate parents and those participating in adult education are more able to fully participate in their children's education.



"I am trying to provide stability for my children, but it is hard with the cost of living steadily rising."

*—Reba Hunter
single, homeless mom
of three children*

*SHARED CHALLENGES, SHARED SOLUTIONS, SHARED OPPORTUNITIES***HOMELESS SERVICES**

Request: Homeless services legislation to govern creation of sufficient quantities of emergency shelter beds and quality supportive services in smaller, humane emergency shelters as the District expands its permanent supportive housing plan.

Department: Department of Human Services (DHS)

Need Statement: The Fair Budget Coalition believes that the District's "Housing First" initiative is an appropriate way to reduce chronic homelessness in the District and that large warehouse shelters with insufficient services are not the most effective way to address the needs of residents who are homeless. The District has already started the process of permanent supportive housing placements combined with closure of emergency shelters. Unfortunately, there is no clear public process for how and when to close large shelters and open up smaller, customized shelters with supportive services as more people are placed into housing. In fact, the District is not currently collecting the data needed to make these important decisions. Furthermore, the difficulty of finding and securing shelter locations that will best serve the targeted population (i.e., in downtown) has made it clear that without legislation, the District will keep adding numbers to already overflowing large warehouse shelters, or worse, end up with insufficient emergency shelter capacity to meet the need.

Background: On April 2, 2007, Mayor Adrian M. Fenty and DC Department of Human Services (DHS) Director Clarence Carter announced the District's "Housing First" policy initiative targeted at ending chronic homelessness in the District of Columbia. The "Housing First" approach addresses homelessness by first stabilizing an individual in housing while providing comprehensive services to address the issues that are at the root of that person's homelessness.

Recommendation: The Fair Budget Coalition recommends legislation to implement the Administration's plan to transform homeless services from a system dominated by warehouse-like shelters to one focused on the quick provision of permanent affordable housing to District residents and small, humane shelters that will provide the necessary emergency safety net while they wait. The legislation will create a process that will govern: (1) the rightsizing of the shelter system as we move towards housing; and (2) the transformation of the existing shelter system into one that is more conducive to the needs of the shelter population.

(1) **Rightsizing the Shelter System:** In order to make a responsible transition from shelter to housing, the District must first assess the current need and usage of shelters in our system and then assess the impact of housing placements on such need.

(2) **Smaller Shelters with Services:** To ensure that the current stock of large, warehouse shelters are phased out and replaced with smaller shelters with more services, the District must ensure that

- Before a shelter is closed, there is an open, public process for planning and decision-making;
- The data are used to determine the appropriate amount of replacement capacity and the best geographic location of such capacity; and
- The replacement capacity is located in small, humane shelters which have sufficient services and are operational before the larger shelters are closed.

Benefits to the District: Creating implementing legislation will guarantee successful and efficient implementation of the Mayor's Housing First plan, promote transparency, promote public involvement and support, and move the District one step closer to ending homelessness..

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LOCAL RENT SUPPLEMENT PROGRAM
LRSP

"After I pay for rent, utilities, cleaning supplies, and transportation, I only have \$43 left over from my cash assistance. I still have expenses every month like doing laundry, buying clothes and shoes for my boys, and paying for school trips. My car also needs maintenance and my son needs braces, but I can't even begin to pay for those things. I qualify for the maximum amount of TANF assistance, but the assistance I'm getting right now just isn't enough to provide for my family's needs."

– Tameka Jackson
Ward 6 Resident

Request for: Aordable Housing/Local Rent Supplement Program (LRSP)

Amount Requested: \$15 million

Cost Analysis: \$15 million will provide up to 1,000 new households with aordable housing. This goal is consistent with the Comprehensive Housing Strategy Task Force recommendation, the Mayor's Housing First Initiative, and the Mayor's goal to eliminate the D.C. Housing Authority wait list.

Department: D.C. Housing Authority

Need Statement: The District is in the middle of an aordable housing crisis, and the current recession will hit our low-income neighbors rst and worst. Rental costs in DC are unaordable for nearly two-thirds of renting households. In mid-Januar2008, 13% more individuals were homeless than in mid-Januar2004. At least 25,000 households are on the D.C. Housing Authority's wait list for aordable housing, over 10,000 of whom are homeless and some of whom have been waiting for more than 10 years.

The Local Rent Supplement Program, implemented 2007, is the District's most exible and eective way to provide aordable housing for very low-income households. It was recommended2006 by the District's Comprehensive Housing Strategy Task Force, which urged that the District, in addition to other housing preservation and production goals, "should directly assist an additional 14,600 extremely low-income renter households [over 15 years] by adopting a local rent supplement program." LRSP was intended to focus on developing new tenant-based housing vouchers and producing new long-term aordable housing units.

While the program has been very successful, it has not been funded consistently or suciently -- and this is a program that requires consistent, sucient funding in order to meet either of its goals. In the rst year of the program, FY2007, LRSP was funded at \$11.7 million. In FY2008, the program was funded at \$19.4 million, which covered the existing rent costs plus in ation adjustments for the rst-year households, but did not provide enough resources to also meet annual

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goals for new participants. With these two years of combined funding, LRSP will provide a ordable housing to 1,750 low-income households. For 2009, the program only received a \$2.2 million increase, which means that, at most, about 150 new households will receive a ordable housing. In sum, three years after the housing task force issued its recommendations, the city has met, at most, 13% of the 14,600-household goal 33% below its 20% target.

Without sufficient and consistent annual resources to LRSP, DC residents are subjected to longer periods of homelessness and longer waits on the D.C. Housing Authority list, working against Mayor Fenty's expressed goal of eliminating that wait list. Equally important, a number of non-profit developers have put new a ordable housing projects on hold, turning down private-sector financing because they and their lenders cannot rely confidently on the availability of rent supplement funding needed to make the projects work.

Therefore, the Fair Budget Coalition recommends \$15 million in additional annual revenue to serve 1,000 District households with a ordable permanent housing via the Local Rent Supplement Program. This would be consistent with the housing task force's recommendation of 14,600 subsidies over 5 years. This money will be used to:

- Provide tenant-based housing vouchers, which supplement what recipients can afford to pay for rent on apartments on the open market;
- Support permanent supportive housing programs for residents who are "chronically homeless;"
- Develop new a ordable housing units; and
- Preserve a ordable housing for very low-income residents.

Benefits to the District: Providing a ordable housing to District residents with very low income helps preserve the vitality and diversity of the District, stabilizes neighborhoods and demonstrates our commitment to a truly inclusive community. In addition, the creation of a ordable housing reduces the costs associated with homelessness: a tenant-based voucher costs, on average, \$1,316 a month per person or family, while emergency shelter for that person/family costs the District as much as \$2,250 per month, for a savings to the District of \$11,208 a year for each person or family.

*SHARED CHALLENGES, SHARED SOLUTIONS, SHARED OPPORTUNITIES***TANF CASH ASSISTANCE**

Request for: TANF Cash Assistance Increase

Amount Requested: \$2.7 million (estimated cost)

Cost Analysis: \$2.7 million will restore the recent 2009 TANF benefit cut and provide an 2010 cost-of-living increase for nearly 10,000 adults and 29,000 children. The average benefit for a family of three will increase by about \$19 to \$447 a month.

Department: Department of Human Services

Need Statement: All District residents benefit from a strong safety net that protects families from falling into poverty when they lose a job or face an illness, disability, or domestic violence situation. Unfortunately, the District's safety net is inadequate for many of the lowest-income families. From August 2007 to August 2008, prices for basic food items increased 1%.⁵ At the beginning of FY2009, TANF cash assistance benefits increased by 20%— and this benefit increase was eliminated as a result of the budget shortfall. TANF benefits leave families with an income less than one-third of the poverty line. Even when combined with food stamps, child care, housing assistance, and Medicaid, the District's TANF benefit only covers about 70% of what a family needs to make ends meet. Focus groups with TANF recipients show that many families go without adequate food or clothing because benefits are too low.

Benefits to the District: Increasing TANF benefits will improve the stability of some of DC's lowest-income families. With increased stability, families will be better able to focus on obtaining employment and better able to provide for the basic needs. The stresses of poverty often lead to poor physical and mental health, child abuse and neglect, and low school performance.⁷ Studies predict that a 10% increase in TANF benefits will reduce child neglect by more than 30%.⁸ Adequately funding TANF enhances community well-being and improves the quality of life for families struggling with poverty.

*SHARED CHALLENGES, SHARED SOLUTIONS, SHARED OPPORTUNITIES***TANF Families Fall Short of Self-Sufficiency, Even with Full Basket of Benefits**

Even when they receive the full “basket” of public benefits, TANF families’ expenses are more than they can afford. Consider the scenario of a parent with two children. In the second column, the household receives the maximum TANF benefit of \$428, a child care voucher, food stamps, and Medicaid, and this covers 25% of their basic monthly expenses. Because housing assistance is not an entitlement (meaning that not everyone who applies is guaranteed to receive assistance), many TANF families do not receive subsidized housing assistance. Even a TANF household that receives subsidized housing assistance is able to afford only 70% of the expenses necessary to be self-sufficient (column 3).

**Costs for a TANF Recipient with Various Levels of Public Benefits:
Single Parent with Two Children**

	TANF Only	Child Care, Food Stamps, Medicaid	Subsidized Housing, Child Care, Food Stamps, Medicaid
Monthly TANF Income:	\$428	\$428	\$428
Monthly Expenses:*			
- Housing	\$1,288	\$1,288	\$107
- Child Care	\$1,815	\$0	\$0
- Food	\$422	\$0	\$47
- Transportation	\$118	\$118	\$118
- Health Care	\$295	\$0	\$0
- Miscellaneous	\$336	\$336	\$336
Total Monthly Expenses:	\$4,274	\$1,742	\$608
Shortfall (-):	(\$3,846)	(\$1,314)	(\$180)
Wage Adequacy (Total Income/Total Expenses):	10%	25%	70%

*Transportation, Health Care, and Miscellaneous: Wider Opportunities for Women's DC Metro Self-Sufficiency Calculator, 2008; Housing: Fair Market Rent for a two-bedroom apartment in DC for 2009: http://www.huduser.org/datasets/fmr/fmr2009f/SCHEDULE%20B_FINAL_091108R.pdf. Child Care: Center for Applied Research and Urban Policy's 2006 Market Rate Survey, adjusted for inflation to equal 2009 dollars. Food: US Department of Agriculture's monthly Thrifty Food Plan for one child 4-5, one child 9-11, and one adult 20-50, Aug 2008: <http://www.cnpp.usda.gov/Publications/FoodPlans/2008/CostofFoodAug08.pdf>. The miscellaneous category includes all other essentials: clothing, shoes, paper products, diapers, nonprescription medicines, household items, personal hygiene items, and telephone.

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FOOD STAMP PROGRAM

Request : Expand access to federal food stamp benefits by adopting categorical eligibility.

Amount Requested: \$0

Cost Analysis: Expanded categorical eligibility would increase access to the District's Food Stamp Program. Food stamp benefits are entirely federally funded, so there is little expense associated with this request, other than some administrative costs for computer reprogramming and staff training.

Department: Department of Human Services

Need Statement: The Supplemental Nutrition Assistance Program or SNAP (formerly the Food Stamp Program) is the largest nutrition assistance program in the country, serving as a critical safety net against hunger. In the District, 86,500 individuals use food stamps to supplement their income for food purchases. Currently, District residents who have modest savings or gross income about 160% of the federal poverty level (\$22,880 per year for a family of three) cannot receive benefits. To expand eligibility for the program, the Income Maintenance Administration can adopt a categorical eligibility (Cat EI) policy. Adopting Cat EI would lift the gross income limit to 200% of the federal poverty level, enabling families with high housing and child care costs to access the program. It would also remove the asset cap of \$2,000 (\$3,000 for households with a senior or person with disabilities), protecting people who have lost their jobs in this unstable economy from having to spend down all their savings to feed their families. An estimated 1,500 to 4,000 additional families would be eligible for food assistance under Cat EI, generating \$1-2 million in additional federal food stamp benefits for District families.

Benefits of the District: Especially in these tight economic times, it is important that we make choices that strengthen our safety net and the local economy. Economists estimate that each dollar of federal food stamp benefits spent generates about \$1.80 in economic activity. This policy change is therefore a win-win-win for the District: it helps more struggling families with high food costs, increases federal funding to the District, and significantly boosts the local economy.

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FRESH FOOD OPPORTUNITIES BANK

Request for: Fresh Food Opportunities Bank: Ending Hunger and Promoting Nutrition

Amount Requested: \$1 million

Cost analysis: Creation of a \$1 million Fresh Food Opportunities Bank will fund:

- Outreach to increase participation in federal nutrition programs which will allow the District to tap into millions of dollars in available federal funds, stimulate the local economy, and expand low-income residents' access to nutritious food;
- Grants to local non-profits, small businesses and micro-enterprises to improve access to a affordable, healthy food; and
- Improved coordination of anti-hunger and nutrition efforts to develop a city-wide hunger and obesity strategy and to ensure that city agencies capitalize on District and federal funding.

Since 2006, Tannika Cunningham has delivered farm fresh produce to 160 families through the D.C. Produce Co-op. Many of the families that come to the co-op live in the food deserts east of the Anacostia. Of her work, Cunningham says,

Department: District efforts to reduce hunger, improve nutrition and promote the development of healthy food retail are splintered among more than a dozen city agencies. We recommend the Mayor appoint a dedicated staff person to coordinate hunger and nutrition issues, oversee the Fresh Food Opportunities Bank, and increase collaboration among city agencies.

"No one else was doing it and it needs to be done. It can be a lot of work, but people really depend on the co-op."

Need Statement: One in nine District residents is struggling against hunger. Rising food costs—by as much as 14% for basic food items in the last year—are putting sufficient, healthy food out of the reach more and more low- and middle-income individuals and families. The lack of access to sources of healthy food in many District neighborhoods puts low-income people at additional risk of obesity and related health problems. At the same time, the District is underutilizing federal nutrition programs, leaving millions of dollars in untapped federal funds – funds that would increase people's food buying power and help stimulate the struggling local economy – on the table.

These pressing realities, exacerbated by the current economic turmoil, demand a coordinated, comprehensive response. To end hunger by increasing people's food buying power, to ensure that all District residents have a high quality of life by improving access to healthy food, and to coordinate the city's food- and nutrition-related efforts so that all hungry families can access the resources they need, we recommend the creation of a Fresh Food Opportunities Bank.

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Creation of a Fresh Food Opportunities Bank will fund a variety of proven approaches to accomplish three objectives:

Maximize Federal Nutrition Funding

- Raise awareness of the benefits of and increase participation in the federal nutrition programs (school breakfast and lunch; afterschool, summer, and child care food; food stamps; and WIC) to maximize District residents' buying power, draw down millions of additional federal dollars into the District, and provide an immediate local economic stimulus.

Increase Access to Food to Help Stimulate the Local Economy

- Award small grants to build the capacity of dining programs, corner stores, and other food resources to store and distribute fresh fruits and vegetables.
- Grow Green: Use small grants to fund micro-enterprises such as veggie carts, community-supported agriculture, farmers' markets, and community gardens that bring fresh, healthy food into low-income neighborhoods.
- Assist food pantries with funding to distribute healthier foods to their clients.
- Advocate for DC to become part of the federal supper pilot program (whereby the city could receive federal funding to serve suppers to low-income children and teens).

Enhance Knowledge

- Expand existing best practices in nutrition education efforts.
- Develop strategies to expand quality nutrition education programs that can be supported through USDA Food Stamp Nutrition Education funding.

Benefits to the District: By increasing participation in the federal nutrition programs, the District not only will improve low-income residents' nutrition and economic security, but will also bring millions of federal dollars into the local economy. For example, by expanding food stamp participation to all eligible residents, the District would receive approximately \$13.5 million in federal funding; and by increasing the number of low-income students participating in school breakfast by 20%, schools would receive approximately \$1.3 million in federal funding to reimburse meal costs.

The District spends millions of dollars to address obesity and other preventable, diet- and hunger-related illnesses each year. The District Department of Health estimates that increasing residents' intake of fruits and vegetables to five or more servings per day could save \$47 million each year in related health care costs.

A small investment in the Fresh Food Opportunities Bank will support small businesses in low-income communities, bring the District's most effective anti-obesity and anti-hunger programs to scale, enhance local food resources, leverage available federal dollars, and infuse neighborhoods with knowledge about healthy eating.

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MENTAL HEALTH CARE FOR DC HEALTH CARE ALLIANCE MEMBERS

Amount Requested: \$0 with at least \$2.6 million from reallocating savings generated by closing of the DC Community Services Agency (CSA).

Cost analysis: \$2.6 million is the approximate cost to provide a basic mental health benefit to the 49,000 members of the DC Health Care Alliance. A true budget estimate must be completed by the Department of Mental Health based on covered services, anticipated service utilization, and provider rates. We also recommend including counseling and pharmaceuticals in the mental health benefit, which would place the cost somewhat above \$2.6 million.

Funding can be obtained through cost savings in FY10 from the closure of the DC CSA.

Department: Department of Mental Health

Need statement: The District is a leader in providing health care for its citizens. Its low rate of uninsured residents is due in large part to its investment in the DC Health Care Alliance program, a sister health insurance program to Medicaid. In recent years, the District has taken steps towards equalizing the benefits of Medicaid and the Alliance to avoid stigmatization.

However, in FY2007, fewer than 1 in 20 Alliance members was able to access the mental health services through the District's mental health system,¹¹ despite the fact that an estimated 1 in 5 people in the U.S. is "believed to have some form of mental health disorder."¹² The services currently provided are appropriate for the seriously mentally ill, but there is not enough capacity to serve the estimated 60% to 70% of the population with less acute mental health needs.¹³ This group is best served in an office-based setting.

The Department of Mental Health has proposed closing the DC Community Services Agency (the District-run mental health clinic) and using the cost savings in FY2010 to expand capacity in the private sector, including expanding capacity for office-based services that better serve the Alliance population.¹⁴ The cost savings should be sufficient to cover the costs of new mental health services for Alliance members.



"We can't begin to foster psychological restoration and healing without adequate funding from our government and from community collaborations and partnerships. We need a holistic alternative!"

*—Tiffany Cogdell Godgrey
a native Washingtonian*

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Limited or no access to mental health services can result in delayed recognition and treatment of symptoms. Because mental illness is the second leading source of disease burden in the United States, and the first among illnesses causing disability⁵, the District should be proactive in its identification and treatment.

To ensure transparency and accountability during the closure of the DC CSA and the reorganization of the mental health provider structure, the District, including DMH, must commit to: (1) establishing a transition team representing consumers, health and mental health providers, advocates, the DC CSA, DMH and other stakeholders, and (2) undertaking a comprehensive mental health needs assessment to ensure sound fiscal practices and sufficient access to services⁶.

Benefits to the District: By redirecting a portion of the estimated \$11-14 million saved by closing the DC CSA to additional private community-based services, the District will be able to provide more services to Alliance recipients.

- Improving access to mental health care increases the likelihood that patients follow prescribed treatments for both physical and psychiatric concerns¹⁷. For each person who can avoid a hospital stay for substance abuse/mental health concerns, the District could save as much as \$7,800 in hospitalization¹⁸ costs.
- DMH's plan to expand the network of community-based providers includes "[encouraging] primary health care settings to provide both physical and mental health care. This unified structure is more cost-effective²⁰ and reinforces the Medical Homes Initiative already supported by the District government.
- Utilization of mental health treatment increases the likelihood that patients can maintain or return to steady employment, reducing the demand on city services and increasing District revenue through local income taxes²¹.

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FINANCIAL INTERVENTION SERVICES INFANTS AND TODDLERS WITH DISABILITIES PART C IDEA

Request for: Specific data collection for the Infants and Toddlers with Disabilities Division (Early Intervention- Part C IDEA) to efficiently secure federal funds and support DC efforts for a comprehensive plan.

Policy: Approximately 450 infants and toddlers, birth to three years of age, receive early intervention services in the District, yet the average cost of early intervention services is unknown. This and other fundamental data on who, where, when, and to what extent we are serving infants and toddlers with disabilities, will help to strengthen the early intervention program and highlight the ways in which the program can be more fiscally responsible.

Department: Office of the State Superintendent of Education-Office of Special Education Programs

Need statement: OSSE is currently considered a “high risk” grantee by the United States Department of Education Office of Special Education and Rehabilitative Services because of its financial, record-keeping, and internal controls and procedures for Part C. In order to best serve the District’s infants and toddlers with disabilities, it is vital to have data and monitoring systems that track:

- The number of infants and toddlers served and the number served by disability category;
- The average cost of providing early intervention services and the average cost of providing services by disability category;
- The average length of time a child receives early intervention services;
- The average age of infants and toddlers receiving early intervention services;
- The settings in which children are being served as well as the outcomes in each setting;
- Overall outcomes of children receiving early intervention services; and
- The profile of the population being served (such as socioeconomic status, gender, race/ethnicity, eligibility for Medicaid and government programs, and Ward of residence).

Additionally, tracking the funding streams and the way in which funding is utilized for early intervention services will help to highlight how the District is using its federal grant dollars as well as other federal programs such as Medicaid and TANF. (This is especially important because Part C is the payer of last resort.)

While some of the above requested data does exist, it is not easily accessible or transparent, and without all pieces, it becomes difficult to determine how to improve and expand early intervention services. Additional data and reporting systems will not have an effect on the budget and will help to identify the children we are currently serving and the financial impact of early intervention services. These additional data will also help the District get a clearer picture of early intervention and develop a plan going forward.

Benefits to the District: Early intervention for infants and toddlers helps to identify and address the developmental delays children under the age of three face and helps to bring them up to typical age-appropriate milestones. This focus on early intervention and prevention of more severe delays will be cost effective in that early intervention might reduce or eliminate the need for some special education services. Additionally, District funding could help to lessen the stringent eligibility requirements to qualify for early intervention services, so the District would be able to serve more children in this capacity, once again decreasing the number of children in special education or requiring more expensive special education services.

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UPDATE THE SCHEDULE H LOW INCOME PROPERTY TAX CREDIT

Amount Requested: \$11 million

Cost Analysis: \$11 million could provide property tax relief to as many as 23,000 low-income DC households.

Department: Office of Tax and Revenue

Need Statement: Schedule H is designed to assist low-income residents with unmanageable property tax bills. The credit is available to renters as well as homeowners, because renters pay property taxes indirectly through their rent.

DC's program, however, has become less effective because the income eligibility of \$20,000 and maximum credit of \$750 have not been adjusted since the late 1970s.²³ The very low-income ceiling has likely contributed to the substantial decline in participation over the years; 14,450 claimed the credit, compared with just 7,209 in 2006 — a decline of 50%.

Moreover, renters comprise 55% of DC households and tend to be low-income. One-third of DC renters have incomes below 30% of the Area Median Income (\$28,000 for family of four), compared with just 9% of homeowners. Yet renters have not benefited from recent property tax relief measures, despite the fact that renters pay property taxes indirectly through their rent. Targeted tax relief would help renters with housing cost burdens, especially the vast majority of low-income households that are not receiving housing assistance.

To improve Schedule H, the Coalition recommends the following:

- **Raising the income limit from \$20,000 to \$50,000 and the maximum credit from \$750 to \$1,000** to make up for some of lost ground due to inflation;
- **Attaching a cost of living adjustment** to the income limit and the maximum benefit amount to ensure the program remains up-to-date and benefits do not erode in value due to inflation.

In addition to the above recommendations, the District also should consider simplifying unnecessarily complex eligibility requirements that limit participation in the program, such as the definition of household income which requires filers to report the income of all household members (including boarders), whether or not they are related, share household expenses, or file a tax return together. (Note the above cost estimate does not account for these policy changes.)

Benefits to the District: Updating and simplifying Schedule H will help make the DC tax code more progressive and help low-income households with high housing cost burdens, particularly renters. Unmanageable housing expenses can lead to family instability and, ultimately, homelessness. With the recent downturn in the economy, targeted tax relief to lower income residents will help these households deal with rising food and gas costs.

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END NOTE

- 1 D.C. Office of the State Superintendent of Education *The District of Columbia State-Level Education: Strategic Plan, Fiscal Year 2009 -2013*, available at <http://newsroom.dc.gov/show.aspx?agency=seo§ion=2&release=15123&year=2008&le=le.aspx%2frelease%2f15123%2fOSSE%2520Strategic%2520Plan%252011-05-08.pdf>
- 2 National Comm'n on Adult Literacy *Reach Higher, America: Overcoming Crisis in the U.S. Workforce* (June 26, 2008), available at <http://www.nationalcommissiononadulthoodliteracy.org/ReachHigherAmerica/ReachHigher.pdf>
- 3 The "Housing First" policy initiative is one aspect of the Administration's Strategic Action Plan on Homelessness which calls for "redesigning and right-sizing the mix of shelter options in order to provide the most effective housing placement for individuals and families who are homeless." The plan is to redevelop smaller, more customized shelters to "facilitate rapid exit and linkage with [an] appropriate mix of housing placement and services."
- 4 The data necessary to inform such important decisions includes, but are not limited to, the number of persons turned away from each shelter because of capacity, the numbers of placements into housing through the Permanent Supportive Housing/Housing First program, and the extent to which these placements have resulted in a quantifiable and documented reduction in the demand for shelter.
- 5 Food Resource & Action Center *The Impact of Rising Food Costs on Low-Income Americans*, (Sept. 2008) available at <http://www.frac.org/pdf/foodcosts.pdf>
- 6 TANF benefits are not adjusted for the cost of living each year. As a result, the value of TANF benefits has decreased by 34% since 1990. If TANF benefits had been adjusted for inflation since 1990, a family of three would receive a monthly benefit of \$665 instead of \$437.
- 7 Stacey Rolland *Disparities in the District of Columbia: Poverty Is the Major Cause* (Nov. 2, 2006), available at <http://dcfpi.org/?p=44>.
- 8 Christina Paxson & Jane Waldfogel *Work, Welfare, and Child Maltreatment*, at 4 (1999) available at http://www.princeton.edu/~rpds/downloads/paxson_child_maltreat.pdf Christina Paxson & Jane Waldfogel *Welfare Reforms, Family Resources, and Child Maltreatment*, at 16 (2001).
- 9 D.C. Dep't of Health, Community Health Admin., Request for Applications, No. CHA-BSA-RFA-070708, at 15 (July 7, 2008), available at <http://opgd.dc.gov/opgd/lib/opgd/info/rfacha2009budgetsupportact2008l.pdf>

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- 10 An approximation can be reached by looking at costs incurred in serving DC Medicaid recipients enrolled in Managed Care Organizations, which have similar demographics to the Alliance population. D.C. Primary Care Association, *Slipping Through the Cracks: Closing the Gaps in the District's Mental Health System*, Oct.2007, at Appendix II available at http://www.dcpca.org/images/stories/slipping_through_the_cracks10-16-07.pdf [hereinafter DCPCA]. From October 2005 through July 2006, costs averaged \$4.48 per member per month; applied to the approximately 48,600 Alliance members enrolled in July 2008, the cost would be \$2.6 million. *Ibid* at 22; Dep't of Health, Medical Assistance Admin., Monthly Medical Assistance and Alliance Enrollment Report (July 2008). The service array, however, is not exactly duplicative for the two populations, and does not include costs for pharmaceuticals or counseling. Were this program to be implemented, we would strongly encourage DMH to conduct a needs study to get at a true cost. While we feel this figure is a good approximation, careful data collection is necessary to obtain an accurate cost.
- 11 D.C. Dep't of Mental Health, *Recommendations for the Governance of the District of Columbia Community Services Agency*, at 23 (Sept.26, 2008), available at http://dmh.dc.gov/dmh/frames.asp?doc=/dmh/lib/dmh/pdf/Council_Report_Final_10-1-08.pdf [hereinafter DC HealthCare Alliance]. In October 2007, the DC HealthCare Alliance served approximately 46,000 individuals (Dep't of Health, Monthly Enrollment Report). KPMG found that the private and public CSAs served a combined 2,035 non-Medicaid consumers.
- 12 DCPCA at 8.
- 13 DCPCA at 11.
- 14 D.C. Dep't of Mental Health, at 10.
- 15 DCPCA at 7.
- 16 As recommended by RAND Corporation in its report, *Assessing Health and Health Care in the District of Columbia* (June 2008), available at http://www.rand.org/pubs/working_papers/2008/RAND_WR534.pdf and KPMG in its *Department of Mental Health Organizational Assessment* (Aug. 2006).
- 17 Todd P. Gilmer, et al., *Adherence to Treatment with Antipsychotic Medication and Health Care Costs Among Medicaid Beneficiaries with Schizophrenia*, *American Journal of Psychiatry* 161:692-699 (2004), available at <http://ajp.psychiatryonline.org/cgi/reprint/161/4/692.pdf>
- 18 Pamela Owens et al., *Care of Adults with Mental Health and Substance Abuse Disorders in US Community Hospitals*, 2004 (Jan.2007), available at <http://www.ahrq.gov/data/hcup/factbk10/>.
- 19 D.C. Dep't of Mental Health, at 10.

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- 20 Bazelon Center for Mental Health Law, *Get it Together: How to Integrate Physical and Mental Health Care for People with Serious Mental Disorders* (Oct. 14, 2008), available at <http://www.bazelon.org/issues/mentalhealth/publications/getittogether/execsumm.htm>
- 21 M. Attridge, *Making the Business Case*, *Behavioral Healthcare*, 27(11): 31-3 (2007).
- 22 *Using the American Community Survey in Fiscal Impact Analysis: The Property Tax Circuit Breaker*, Presentation by David Bradley & Bob Zahradnik, DC Office of Revenue Analysis, to the Federal Tax Administrators (Sept 16, 2008), available at <http://www.taxadmin.org/fta/meet/08review/papers/zahradnik2.pdf>
- 23 DC's income threshold is among the lowest when compared with other state programs. See Lindsay Clark, D.C. Fiscal Policy Institute, *Property Tax Relief for DC's Low-Income Residents: Improvements Needed in Schedule H* (Apr. 8, 2007), available at <http://www.dcfpi.org/4-8-08tax.pdf>.