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**TESTIMONY OF KATIE KERSTETTER, POLICY ANALYST
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**At the Public Hearing on the
Fiscal Year 2010 Budget Request for the Department of Human Services
District of Columbia Committee on Human Services
March 25, 2009**

Good afternoon, 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 today to support the Mayor's proposal to maintain the benefits and services provided by the District's Temporary Assistance for Needy Families (TANF) program and to raise several questions about the use of carryover and stimulus funding in the FY 2010 Department of Human Services budget.

TANF provides a critical income support for nearly 10,000 adults and 29,000 children in the District. It supports recently unemployed families while they receive training and search for jobs as well as families who are unable to work due to a health issue or the need to care for a disabled child. In recent months, more than 16,000 households have used TANF to help weather the current economic crisis.

Given the large revenue shortfalls the District is experiencing, we are happy to see that the Mayor's proposed budget for FY 2010 does not include any cuts to TANF benefits or services, provides \$5.5 million in funding to create the automated case management and client eligibility system, and takes the first steps towards integrating LIHEAP eligibility functions into the Income Maintenance Administration (IMA).

We also would like to share several questions and concerns we have with the Mayor's proposed FY 2010 budget for TANF:

- **Replacing Local Funding with Carryover Funds:** The FY 2010 budget proposes to replace \$8.2 million of local funding for the TANF program with \$8.2 million of carryover funds. These carryover funds are federal TANF block grant funds that the District did not spend in prior years. The FY 2010 budget proposes to spend the full amount of the District's carryover as well as the entire federal block grant amount. While we support the use of carryover to avoid cuts in benefits or services, we are concerned about how the \$8.2 million will be funded in FY 2011 when carryover funds are no longer available.
- **Eliminating 27 Eligibility Determination FTEs:** The FY 2010 budget includes a reduction of 27 positions in the eligibility determination services line, while also stating in the narrative that there are no reductions to direct client serving staff. While we understand that these positions currently are vacant, given the increased caseloads IMA has seen in FY 2009, it's important to ensure that we have adequate staffing to meet this demand.

- **Using Stimulus Funds to Create a Work Advantage Program:** The budget also states that \$1.5 million to \$6 million in expected TANF stimulus funds will be used to create a program to provide rental assistance, matched savings accounts, and case management to TANF eligible families working at least 20 hours per week. This proposal raises a number of questions, including how these services will be provided, why the program chooses to target families who are already meeting the work requirement for case management, and whether these services will continue to be provided after stimulus funding ends.

Finally, we continue to advocate for strengthening the TANF benefit, including increasing the cash assistance amount to help TANF families better meet their basic needs. To this end, we support the Fair Budget Coalition's recommendation to restore the FY 2009 benefit increase that was cut in November and to include a similar increase for FY 2010.

Thank you, Chairman Wells, for your commitment to strengthening the safety net for District families. We are eager to work with you and your staff, as well as the Department of Human Services, to examine ways that we can improve outcomes for TANF families. Thank you for the opportunity to provide testimony, and I am happy to answer any questions you may have.