



**TESTIMONY OF KATIE KERSTETTER, POLICY ANALYST  
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**For the Public Hearing on Options for Human Services Programming  
Available Through the American Recovery and Reinvestment Act of 2009  
District of Columbia Committee on Human Services  
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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 discuss the opportunities the DC Department of Human Services (DHS) has to draw down federal Temporary Assistance for Needy Families (TANF) stimulus funds and to suggest ways that these funds could be invested to support DC's TANF recipients.

TANF provides a critical income support to 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.

The District is eligible to claim \$46 million from the federal TANF Emergency Contingency Fund. In the FY 2010 budget, DHS estimates that it will receive between \$1.5 million and \$6 million in TANF stimulus funds. DHS proposes to use these funds for two initiatives: 1.) a Work Advantage Program that would provide rental assistance, a savings match, and case management to families who are working at least 20 hours per week and 2.) monthly payments of \$100 to TANF families who meet the full work participation requirement.

The FY 2010 budget does not describe how DHS intends to claim the \$1.5 million to \$6 million in TANF stimulus funds and why more of the funding cannot be claimed. We believe that there are a number of programs the District could use to claim stimulus funds, including the Summer Youth Employment Program, the Emergency Rental Assistance Program, and the Department of Employment Services' Project Empowerment. In addition, DHS could partner with local businesses and nonprofits and use increased spending by these organizations to draw down additional stimulus funds. Certainly we believe that DHS should seek to claim all \$46 million in available stimulus funds expeditiously.

It is important to note that the stimulus funds will be added to DC's TANF block grant and can be used for any allowable TANF purpose. They do not need to be tied to the programs for which the stimulus funds are claimed. This gives the District great flexibility over the use of TANF stimulus funds.

DHS' proposed uses of stimulus funds, as noted in the FY 2010 budget, focus on serving families that are close to or are already meeting the federal work requirement. While it is important to encourage more families to access job training and move to employment, we believe that stimulus funds also should be spent

on strengthening the TANF program's assessment and job training options, which would benefit all applicants and recipients:

- **Improving Assessments:** Before they can access stable employment, many TANF recipients must address barriers to work such as low levels of education, domestic violence, and child care issues. Administrative data from the Income Maintenance Administration (IMA) indicate that many TANF recipients who are eligible for services to address these barriers to work do not receive them. For example, while an estimated 20 percent of DC TANF recipients experienced domestic violence in the past year, in FY 2008, less than one percent received domestic violence services from the TANF program's provider. When we held focus groups with TANF recipients last year, most recipients said that they were unaware that the TANF program provides services for people with domestic violence and physical and mental health issues.

More TANF recipients could get the help they need to move to employment if IMA improved its assessment process. Currently, assessments are performed by a benefits eligibility worker as part of the process of determining whether an applicant is eligible for TANF. Other states have moved away from this approach because benefits eligibility workers often do not have the time or the training to effectively screen applicants for barriers to work. In addition, research has shown that TANF applicants are less likely to disclose barriers to someone who is responsible for determining their eligibility.

Stimulus funding could be used to develop a new assessment and to pilot a new assessment approach at several IMA service centers. As part of the assessment process, recipients should be informed about the various services available through the TANF program.

- **Expanding Job Training Options:** While the District's TANF program offers several education and job training options, many recipients do not know about these options and are usually directed to one of the District's six TANF Employment Program (TEP) vendors. These nonprofit and for-profit organizations provide very basic job readiness training with the goal of moving recipients into employment quickly. While this approach may be helpful for some TANF recipients, others have difficulty finding and maintaining jobs without more extensive education and hard skills training. Currently, only 46 percent of TANF recipients who find employment are still employed after six months. The District could use stimulus funding to expand its existing Paving Access to Higher Security (PATHS) program or to pilot a new approach to job training that could inform the new employment vendor contract the agency will be developing for FY 2011.

In addition, a portion of the stimulus funds could be used to support non-profit social service providers that are struggling with increased demand but declining resources. To the extent that the District can work with nonprofits that are providing short-term assistance to claim stimulus funds, it would make sense to return the stimulus funds to these groups. In this way, the TANF stimulus funds could help maintain important social services during the downturn.

Finally, the issue of TANF stimulus funding as well as the recent cuts to homeless services underscore the need for more transparency in the DC budget. In the case of homeless services, these have been folded into a single line item in the budget, making it impossible to track changes in funding for the Community Partnership or individual providers. TANF also occupies a single line item in the budget, without any detail as to how the block grant and maintenance of effort funds are spent year-to-year.

Thank you for the opportunity to provide testimony, and I am happy to answer any questions you may have.