

April 21, 2011

## WHAT'S IN THE MAYOR'S PROPOSED FY 2012 BUDGET FOR INTERIM DISABILITY ASSISTANCE?

The District's Interim Disability Assistance (IDA) program provides temporary cash benefits to adults with disabilities who have applied for federal Supplemental Security Income (SSI) benefits and are awaiting an eligibility determination. IDA is similar to interim assistance programs offered in 38 states, including Maryland and Virginia. The benefits paid to IDA recipients are reimbursed by the federal government if an applicant is ultimately determined to be eligible for SSI. SSI approval can take anywhere from several months to several years.

IDA serves as a vital lifeline for DC residents who cannot work and have no other income or other means to support themselves. IDA allows recipients to pay for basic needs such as transportation, medicine, toiletries, and food. In addition, the modest \$270 in steady monthly income allows access to community-based services and housing that requires a minimum income to participate.

### KEY FINDINGS

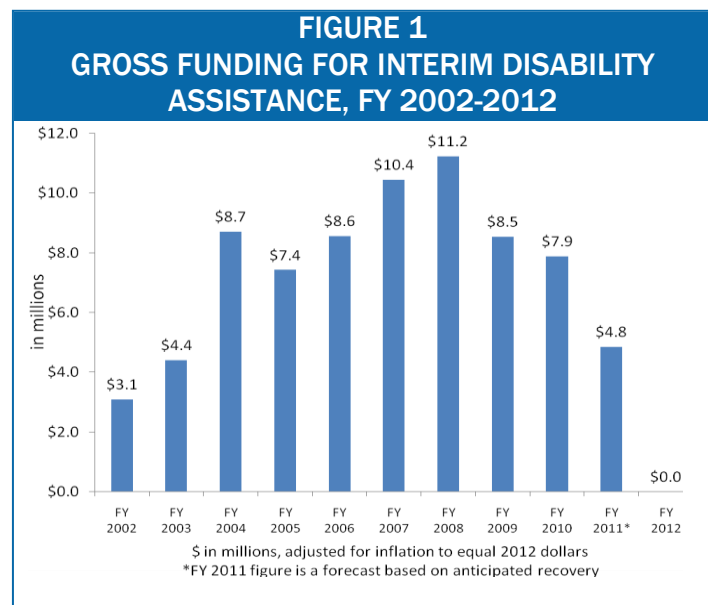
#### MAYOR'S BUDGET PROPOSAL

- Eliminates all funding for IDA in FY 2012, a cut of \$4.8 million in gross funds. This cut would effectively end the program.
- The proposed elimination means that an estimated 1,000 recipients still enrolled at the end of FY 2011 would have benefits terminated.

### Summary of Mayor's Proposal

Under the Mayor's FY 2012 budget proposal, funding for IDA would be eliminated in 2012. No new resources would be provided, and any funds reimbursed from the federal government would be placed in the city's general fund. The proposal to eliminate Interim Disability Assistance follows a series of funding cuts since 2008.

Recipients receiving benefits at the end of FY 2011 would see their benefits terminated. IDA served 2,800 residents in 2009 and 1,500 at the beginning of 2011. The Department of Human Services has begun to phase down the program this year,



by not accepting new recipients, but it is still expected that 1,000 residents will be receiving IDA benefits at the end of 2011, before the program is terminated.

Without this benefit, many individuals may turn to more costly emergency services, creating a greater strain on the District's budget.

**Analysis**

Interim Disability Assistance (IDA) is a District program that provides temporary financial aid to adults with disabilities who are unable to work and have applied for federal Supplemental Security Income (SSI) benefits. IDA benefits are provided until the Social Security Administration (SSA) issues a final decision on the SSI application. Currently, 38 states, including Maryland and Virginia, offer a program similar to IDA.

Interim Disability Assistance is supported by a combination of locally appropriated funds, federal dollars recovered through the Social Security Administration, and carryover from the previous year's budget. When a recipient is approved for SSI, the federal government reimburses the District, usually for 100 percent of that individual's IDA payments. According to the Income Maintenance Administration, there is an 18- to 24-month lag from the time an IDA benefit is paid to the time when the money might be recovered from SSA.

Across the life of the program, the District has recovered approximately 40 percent of the funds spent on IDA through the federal recovery mechanism, which is consistent with the reimbursement rates in other states that have similar programs. However, this rate varies considerably from year to year based on current and past years' spending. For example, IDA recovered nearly \$2.5 million from SSA in the first six months of FY 2011 – nearly double the program's local budget for the year of \$1.5 million. The Mayor's proposal would not only terminate all local spending on the IDA program, but also shift any carryover dollars from the program at the end of FY 2011 into the city's general fund.

IDA began as a relatively small program in FY 2002, serving an average of 420 individuals per month. Over the following five years, local funding grew and recovery funds added to the budget, allowing IDA to serve more residents with disabilities. By 2008, Interim Disability Assistance served nearly 2,800 residents with disabilities.

In FY 2009 the Council cut funding to address a mid-year budget gap, and enrollment contracted. Additional cuts in subsequent years eventually led to a 1,500 cap in mid-FY 2010 – a decrease unrelated to program demand. In January 2011, the program stopped enrolling new participants, due to an unexpected reduction in funds mid-year. In March 2011 (latest month available), the program had caseload of 1,269. That number is expected to decline to 1,000 by the end of FY 2011, when all of these recipients would be terminated.

