

## What's In the Proposed FY 2018 Budget for Interim Disability Assistance?

FIGURE 1.

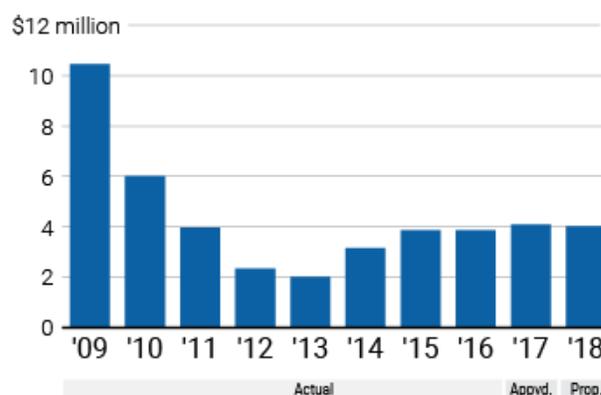
Local funding for the Interim Disability Assistance (IDA) program remains flat in the proposed fiscal year (FY) 2018 budget after adjusting for inflation. (Unless stated otherwise, all figures are adjusted for inflation to equal FY 2018 dollars.) The Department of Human Services (DHS) reports that it plans to supplement this budget with federal reimbursement to continue the current monthly caseload of 1,100 individuals. But the proposed budget and anticipated FY 2018 federal reimbursement revenue will not support a caseload of this size. The maximum monthly caseload that be supported is 941, assuming application assistance has been moved to the Homeless Services Continuum budget.<sup>1</sup>

The \$4 million total proposed budget for FY 2018 is also well below the program's historic funding. In FY 2009, for example, IDA spent \$10.5 million which allowed the District to provide benefits to all who needed them, around 2,750 residents per month (*Figure 1*).

IDA provides temporary cash benefits to adults with disabilities who have applied for federal disability 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. SSI approval can take anywhere from several months to several years. The benefits paid to IDA recipients are reimbursed by the federal government if an applicant is ultimately determined to be eligible for SSI.

<sup>1</sup> In FY 2017, application assistance was part of the IDA budget. As the application assistance is mostly directed at residents experiencing homelessness, it is possible this

### FY 2018 Funding for IDA Remains Below Peak Levels



Note: All figures adjusted for inflation to equal FY 2018 dollars.  
Source: Fiscal Years 2011-18 Budget & Financial Plans; Department of Human Services.

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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 steady modest monthly income allows recipients to access some housing programs that are administered by nonprofit organizations and require residents to have some kind of income.

### IDA Budget Combines Local and Federal Funding

The FY 2018 budget combines a little more than \$2.5 million in local funding with \$1.5 million in

application assistance has been moved to the FY 2018 proposed Homeless Services Continuum budget. DCFPI will update this analysis when this information is received.

FIGURE 2.

federal reimbursement funding to get to the total IDA budget of \$4 million. Federal reimbursement funds come from the Supplemental Security Income (SSI) Payback Fund. This fund is a dedicated fund for IDA. When an individual is approved for SSI, the federal government reimburses the District for the IDA benefits the individual received. These reimbursement dollars are put into the SSI Payback Fund so the District can provide benefits for future IDA applicants.

### IDA Benefits Will Rise in FY 2018

The IDA benefit level is tied to benefit levels in Temporary Assistance for Needy Families (TANF), DC's welfare to work program. The IDA benefit equals the TANF benefit for a household of one person (such as a pregnant mother applying for TANF). Under a policy adopted in the FY 2016, TANF benefits are increasing between 2017 and 2019, which also means that IDA benefits will increase. The IDA benefit will be \$363 per month in FY 2018, a 13 percent increase (*Table 1*, pg. 3). Benefits will increase to \$406 a month in FY 2019 (*Figure 2*). After FY 2019, benefits will be adjusted annually for inflation.

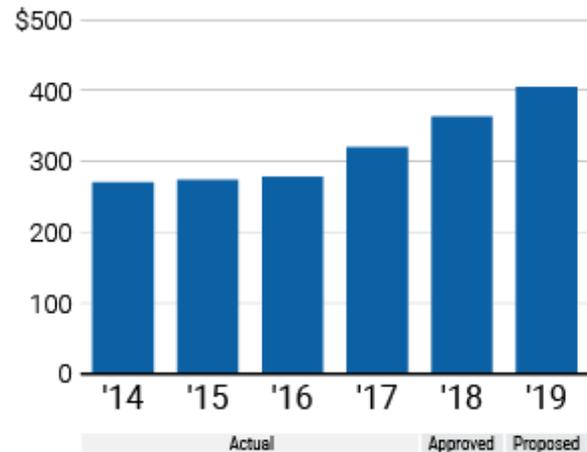
### IDA Funding Will Likely Need to Be Supplemented to Maintain Caseload

The Department of Human Services reports it will use federal reimbursement funding to supplement the proposed FY 2018 budget of \$4 million to maintain a caseload of 1,100 residents. But looking at the budget plus expected federal reimbursement funding, DCFPI finds that DHS will likely need to find additional funding to meet the caseload goal. The proposed budget plus anticipated federal can only support a monthly caseload of 941.<sup>2</sup>

<sup>2</sup> As noted above, this is the maximum caseload assuming that application assistance has been moved to the Homeless Services Continuum budget.

## IDA Benefits Will Increase in FY 2018-19

Monthly benefits (not adjusted for inflation)



Source: Department of Human Services.

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### Funding is Not Sufficient to Meet All Residents Who Need IDA

In FY 2009, the Interim Disability Program spent \$10.5 million and was funded to serve all residents in need, around 2,750 residents with disabilities received benefits. This is far higher than the 1,100 residents assisted today (*Figure 3*, pg. 3). The reduced funding and caseloads for IDA since 2009 suggests that many DC residents with disabilities have no regular source of income, since one of the prerequisites for applying for SSI is that an individual is unable to work.

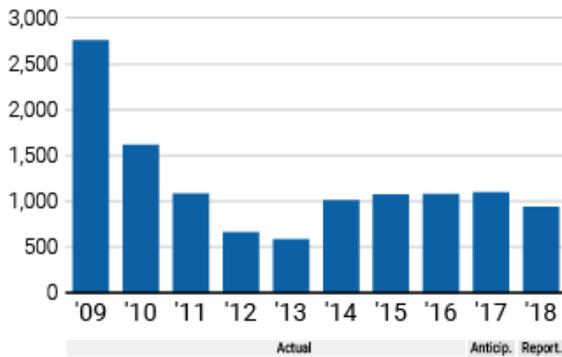
### SSI Application Assistance

The FY 2018 budget for Interim Disability Assistance may include between \$443,000 and \$500,000 in one-time funds from the SSI Payback Fund to assist individuals with the complicated process of applying for Supplemental Security

FIGURE 3.

### IDA Caseload Less Than Half of When Program Served All In Need

Average monthly caseload



Note: Caseload estimate for 2018 is according to DCFPI analysis of current budget and anticipated FY 2018 SSI Payback Fund revenue. Assumes application assistance has been moved to the Homeless Services Continuum Budget.  
 Source: Department of Human Services, information requests and Performance and Budget Oversight Responses for Fiscal Years 2011-18.

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Income (SSI) benefits.<sup>1</sup> Because increased federal approval of SSI applications results in higher reimbursements to the District for IDA payments, an investment in application and legal assistance for IDA recipients could increase the funds recovered by the District. IDA can also serve more residents with less local money if residents are able to begin receiving SSI benefits more quickly. As it stands, the process can take one to two years. By providing application assistance, DC can decrease the time that

residents have to depend on IDA while awaiting SSI approval.

In FY 2017, \$500,000 in one-time funding from the SSI Payback Fund was used for application assistance. Some \$440,000 was distributed to two organizations to provide assistance, which is likely to help 100 individuals receive SSI this year. The remaining funding was provided to the University of the District of Columbia (UDC), perhaps to help parents receiving Temporary Assistance for Needy Families apply for SSI. This analysis will be updated upon receipt of confirmation.

### Removing Funds From SSI Payback Fund May Make It More Difficult to Fund IDA in the Future.

When the federal government reimburses the District for IDA benefits it has paid out, the funding is put into the SSI Payback Fund. The intention is that this funding will be used for the program in future years. Unfortunately, the administration recently removed \$500,000 from the SSI Payback Fund for non-IDA purposes. And in the FY 2017 budget, an additional \$1 million was removed from the Fund for non-IDA purposes. This leaves the District with no reserve moving forward, a particular concern given that DHS is relying on a reserve of \$700,000 in the proposed FY 2018 budget and IDA benefit levels will rise again in FY 2019, meaning more funding will be needed if the District is going to serve the same number of people.

TABLE 1.

### IDA Benefit Increase Schedule

	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
% Increase	--	1.5%	1.6%	15.3%	13.3%	11.8%
Monthly Benefit	\$270	\$274	\$278	\$320	\$363	\$406

Note: Benefit levels are not adjusted for inflation

Sources: FY 2018 Budget and Financial Plan; Notice of Final Rulemaking for 29 DCMR § 7200 on January 3, 2017; FY 2016 Budget Support Act of 2015; 29 DCMR § 7200; DC Code § 4-205.52 and § 4-204.07; Rule Number 29-5814 Published on 12/26/2014.