

June 30, 2011

## WHAT'S IN THE 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.

The FY 2012 budget reduces funding for IDA by nearly 70 percent, from \$4.8 million in FY 2011 to \$1.5 million (see figure 1, next page). The FY 2012 budget would also prohibit the IDA program from spending the federal dollars it collects as reimbursement from the federal Social Security Administration once an IDA program participant is approved for social security payments. In fact, \$2.4 million of these recovered federal dollars would be taken for other purposes in FY 2012, and it is unclear what will happen to the remainder.

Due to past budget cuts to the IDA program, the Department of Human Services began to phase down the program in early 2011 by not accepting new recipients, and expects that about 500 residents will be receiving IDA benefits at the end of FY 2011. The FY 2012 budget will allow DHS to serve an average of 460 residents per month. Prior to the cuts to the program, in FY 2009, DHS was serving more than 2,700 residents.

The Council also passed a provision that would direct future increases in DC revenue to restore funding to a number of programs and services. The package included \$3 million for Interim Disability Assistance, which would allow the District to serve nearly 1,500 residents per month – in line with FY

### 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.

#### FINAL COUNCIL VOTE, JUNE 14<sup>th</sup>

- The Council voted to restore \$1.5 million for Interim Disability Assistance.
- The Council voted to direct \$3 million of future revenue increases to Interim Disability Assistance in order to fully fund the program. This funding level would allow IDA to serve 1,500 residents and would likely clear the current waitlist for the program.

2011 service levels. However, this restoration will only occur if revenues increase by a substantial amount. This paper will be updated to reflect any changes made to the budget for IDA as a result of the new revenue forecasts expected to be released in June and September of 2011.

### Analysis of the FY 2012 IDA Budget

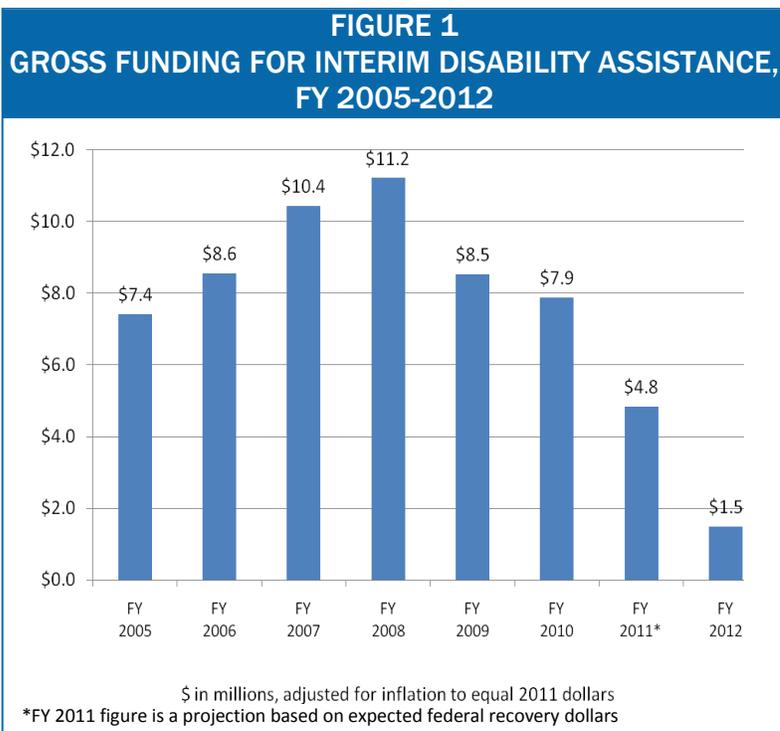
Interim Disability Assistance (IDA) is a District program that provides temporary financial aid to adults with disabilities who are unable to work and have applied for federal Supplemental Security Income (SSI) benefits. IDA benefits are provided until the Social Security Administration (SSA) issues 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 (SSA), 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 – and was on track to recover record-high sums.

However, the FY 2012 budget will shift \$2.4 million in carryover dollars from the program at the end of FY 2011 into DC's general fund. Because of stronger-than-anticipated recovery, additional money will likely remain in the account, but DHS will not have authority to reinvest the funds in IDA under rules passed in the FY 2012 budget.

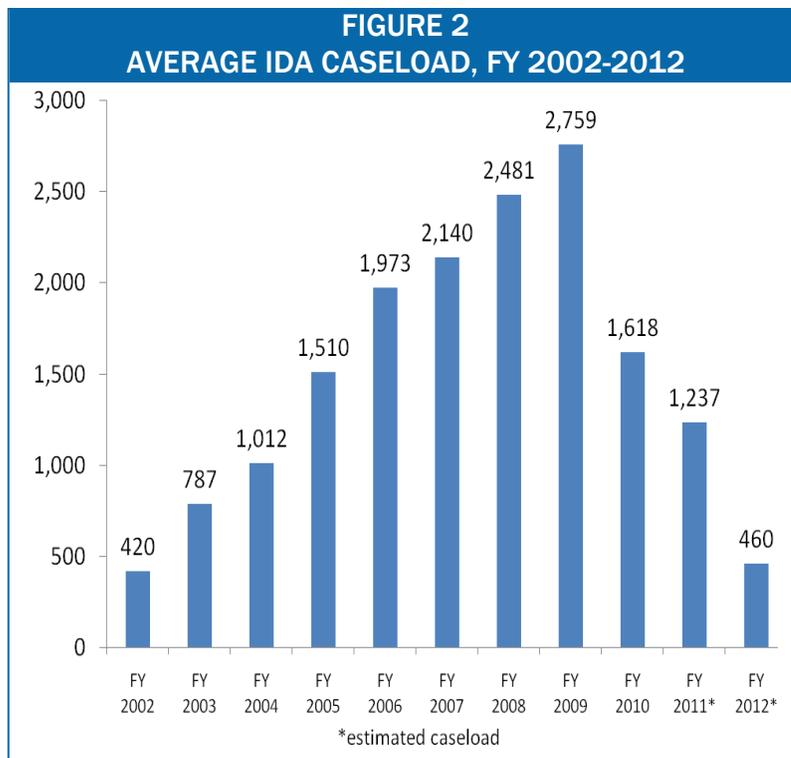
This means that in FY 2012, IDA will serve the smallest number of clients since the program's inaugural year, despite record-high federal recovery rates and continued high demand from DC residents with disabilities.



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 (see figure 2).

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 on enrollment in the program in mid-FY 2010. 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 500 by the end of FY 2011. The program is expected to serve around 460 residents per month in FY 2012 based on funding that will be available.



### Performance Measures

The budget for each government agency includes a number of performance measures tied to specific agency objectives. In addition, each agency develops a performance plan each year, and it completes a “performance accountability report” at the end of the year.

The performance measures are intended to provide an indication of how well the agencies are using funds to meet their goals. Unfortunately, the quality of performance measures in the District’s uneven. In many cases, performance measures are unclear or cover aspects of an agency’s functions that do not seem tied to the agency’s core functions.<sup>1</sup>

The FY 2012 budget includes no performance measures related to the Interim Disability Assistance program. Without tracking basic data on the program’s performance, it is difficult to assess the program’s effectiveness or the impact of various policy changes on the program’s ability to serve DC residents with disabilities.

<sup>1</sup> The issues related to DC’s performance measurement are discussed further in a DCFPI 2009 report, [Ten Ways to Improve the Transparency of the DC Budget](#).

## **Key Performance Measures Not Included in FY 2012 Budget**

The Department of Human Services tracks a number of IDA metrics internally, including the caseload, length of the waitlist, and average wait to be served. These are not published as part of its performance measures, however, despite the importance of understanding the impact of recent IDA budget cuts on the program's ability to meet demand. The performance measures for IDA should also include a count of clients at each stage of the SSI application process, the SSI approval rate at each stage of appeal, and the average duration of each stage of the process. Additionally, DHS should track the percent of applicants for IDA that are approved for the program, the percent ultimately approved for SSI, and the top reasons for final denial for SSI.