

What's In the Proposed Fiscal Year 2019 Budget for Interim Disability Assistance?

By Kate Coventry

Interim Disability Assistance (IDA) provides modest, temporary cash benefits to adults with disabilities who have applied for federal disability Supplemental Security Income (SSI) benefits and are awaiting an eligibility determination. The wait-time for federal benefit determination has skyrocketed in recent years, from 350 days in 2012 to nearly 600 days in 2017, leaving residents too sick to work but lacking benefits.¹

The \$3.3 million total budget for FY 2019 is less than one-third of the program's historic funding. In FY 2009, IDA spent \$10.7 million which allowed the District to provide benefits to all who needed them, around 2,750 residents per month (Figure 1).

IDA is Lifeline

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.

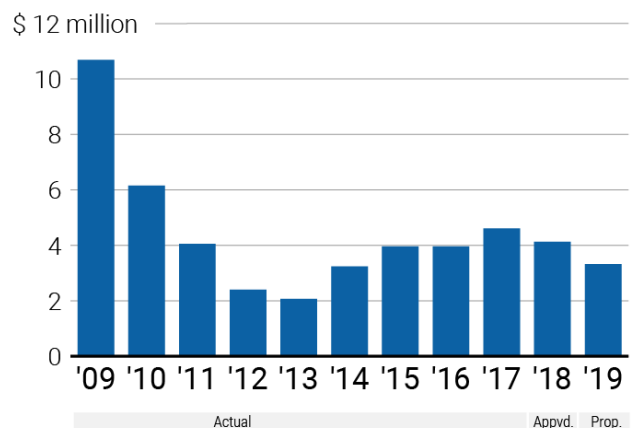
IDA is similar to interim assistance programs offered in 38 states, including Maryland and Virginia. SSI approval can take anywhere from several months to several years, with the average wait time of 600 days. The benefits paid to IDA recipients are reimbursed by the federal government if an applicant is ultimately determined to be eligible for SSI.

SUMMARY

- The total proposed for budget for IDA is \$3.3 million, a decrease of \$800,000 from FY 2018. This is well below the peak budget of \$10.7 million.
- Local funding for IDA remains flat at \$2.5 million
- But the total IDA budget will decrease due to an expected decline in federal reimbursement and a lack of reserve funds to make up for the loss.
- Monthly benefits are set to increase from \$363 to \$406.
- Only 685 can be served compared to 2,750 who were served when the budget was not limited, suggesting many residents in need cannot access benefits.

FIGURE 1.

Funding for IDA Less Than Third of Peak Levels, Leaving Many Residents in Need



Note: All figures are adjusted for inflation.
Source: Department of Human Services; Fiscal Year 2011-2019 Budget & Financial Plans.

IDA Budget Combines Local and Federal Funding

The FY 2019 proposed budget combines \$2.5 million in local funding with \$800,000 in federal reimbursement and \$19,000 from the fund balance for a total budget of \$3.3 million. Federal reimbursement funds come from the Social Security Administration. When an individual is approved for SSI, the federal government reimburses the District for the IDA benefits the individual received. These reimbursement dollars are used to support the annual budget and unspent funds are put into the SSI Payback Fund at the end of the year so the District can provide benefits for future IDA applicants. In the past few years, federal reimbursement has been budgeted at \$1 million but the District has only received \$800,000. So, the FY 2019 budget reduced from FY 2018 to reflect this lower reimbursement.

Unfortunately, Federal Funding is Often Repurposed for Other Needs

In past years, funds have been taken out of the SSI Payback Fund for other purposes, meaning the District is less able to provide IDA to new recipients. More than \$1.3 million was repurposed in the FY 2018 budget for non-IDA purposes. This leaves the District with only \$19,000 in the fund balance currently, and likely a similar small balance in future years.

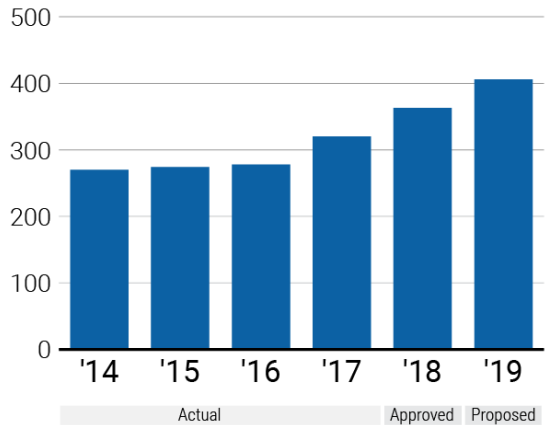
IDA Benefits Will Rise in FY 2019

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 budget, TANF benefits are increasing between 2017 and 2019, which also means that IDA benefits will increase. The IDA benefit will increase to \$406 a month in FY 2019, an 11.8 percent increase (*Figure 2*). After FY 2019, benefits will be adjusted annually for inflation.

FIGURE 2.

IDA Benefits Will Increase in FY 2019

Monthly benefits, not adjusted for inflation.



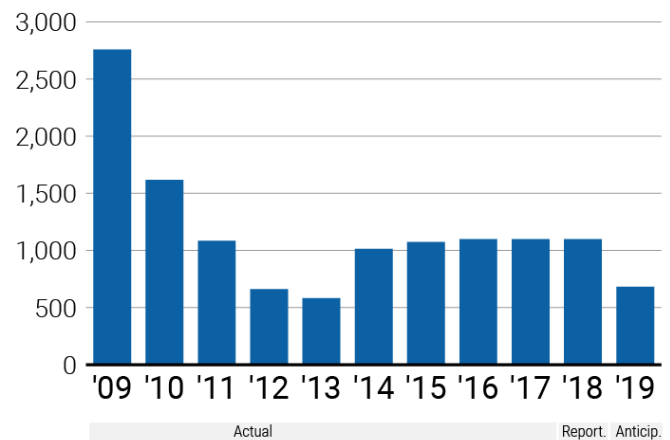
Source: Fiscal Year 2017-19 Budget & Financial Plans; Fiscal Year 2016 Budget Support Act of 2015; 29 DCMR § 7200; DC Code § 4-205.52

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FIGURE 3.

IDA Caseload Less Than Quarter of When Program Served All in Need

Average monthly caseload.



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 \$10.75 million and was funded to serve all residents in need, around 2,750 residents. This is far higher than the 685 residents assisted today (*Figure 3*, pg. 2). 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.

TABLE 1.

Interim Disability Assistance Benefit Increase Schedule

Not adjusted for inflation.

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

Sources: Fiscal Year 2019 Budget and Financial Plan; 29 DCMR § 7200; Fiscal Year 2016 Budget Support Act of 2015; 29 DCMR § 7200; DC Code § 4-205.52 and § 4-204.07.

¹ McCoy, Terrence, “597 Days and Still Waiting,” *The Washington Post*, 20 Nov. 2017.