

**TESTIMONY OF SCOTT MCNEILLY
WASHINGTON LEGAL CLINIC FOR THE HOMELESS
BEFORE THE COMMITTEE ON HUMAN SERVICES
FY 2011 BUDGET GAP CLOSING
NOVEMBER 30, 2010**

Good morning Chairperson Gray and members of the Council. My name is Scott McNeilly, I'm a resident of Adams Morgan in Ward 1 and an attorney with the Washington Legal Clinic for the Homeless.

As has happened every time the District has experienced a revenue crisis, the Interim Disability Assistance or IDA program is once again targeted for cuts. Over the past four years, IDA has been cut by approximately 60 % and the Mayor's Proposed Gap Closing Plan calls for an additional \$1.2 million cut.

IDA has been in existence for over eight years now and hundreds if not thousands of District residents have been transitioned from IDA onto federally funded SSI benefits. By way of background, the IDA program provides a small monthly grant (\$270) to individuals and couples with disabilities who have applied to the Social Security Administration for Supplemental Security Income (SSI) and are awaiting a decision on their claim. If an IDA recipient's SSI application is approved, the District government will recover the amount it provided in IDA directly from the recipient's past-due SSI benefits.

To date, the recovery mechanism has resulted in the District receiving over \$11.5 million in reimbursements from the Federal government. The overall economic benefit to the District since IDA's inception is estimated to be around \$138 million. Although there was some confusion about this in last year's budget discussions, the District recovers about 40% of its IDA expenditures through the recovery mechanism, on par with the estimate in the fiscal impact statement that accompanied the authorizing legislation and with the experience of the other 39 states that operate similar programs.

The series of cuts to the IDA budget have forced the Income Maintenance Administration to run a waiting list to receive IDA. There are currently 449 District residents waiting to get IDA. To get on that waiting list, applicants for IDA have to prove with medical evidence that they have a disability that will likely qualify them for SSI, meaning they are too medically impaired to support themselves through work and they also have to prove that they have no other income (there's a \$10 deduction but any other income counts against the \$270 per month grant amount) or resources (the applicant has to meet the SSI \$2000 resource cap) they can use to support themselves. The question this begs is how these disabled District residents are expected to survive with no financial resources whatsoever. Certainly there are lots of other factors but it should come as any surprise that demand for expensive emergency shelter continues to grow. Unlike Maryland and some other jurisdictions that have recognized that in the most severe recession in our lifetime the safety net needs to be strengthened, the District in contrast is trying to shrink its safety net just when it's needed most.

The other damage to the DHS components of our safety net is the Mayor's proposal to cut the TANF grant amount for individuals who have received more than 60 months of TANF assistance. It seems unlikely that this proposed cut will produce the anticipated savings. As most of you are aware, the Income Maintenance Administration has not had the capacity to date to comprehensively assess whether these long-term TANF recipients suffer from disabilities that would make them eligible for the POWER program or whether they were victims of domestic violence or would otherwise be eligible for a hardship exemption from the Federal timelimits. Conducting that assessment for the

thousands of TANF recipients who would be effected by the proposed cut would clearly take much longer than the proposed February 1, 2011 implementation date, especially given the reduced staff at DHS. Failure to conduct the assessment before implementing the cuts would almost certainly mean that the cuts would have a disproportionate impact on people with disabilities which could expose the District to liability that would likely at least erase any savings and might very well result in additional costs. Even if the District were able to implement the reduction in a timely manner, any savings would likely be offset by additional costs for rent supplements through Permanent Supportive Housing (PSH) and the System Transformation Initiative (STI) and for emergency family shelter. We've been talking with the Income Maintenance Administration about developing a process for identifying long-term TANF recipients who would likely qualify for SSI and using the IDA mechanisms for accessing and maximizing recovery of Federal reimbursements. It will take some time but it's far more likely to yield real savings than the proposed grant reduction.

Finally, as a District resident, I need you as my representatives to give more than lip service to finding a balanced approach to the drop off in revenues in this economic crisis. The individuals who have not or will not be able to get IDA because of budget cuts are expected to live on essentially nothing. Their sole source of financial support has been taken from them. My wife and I, she's an attorney with a private firm, haven't been asked to sacrifice a single thing. There's been absolutely no discernable change in the services we get from the District. We're likely to be effected by some of the proposed tax increases and the idea that an increase in our tax rate would cause us to move out of the District is completely absurd. Frankly, we'd be far more likely to leave the District if we concluded that the District government was incapable of fairly distributing our community's burdens and sustaining a functioning safety net.

Thank you.