

**TESTIMONY OF SCOTT MCNEILLY
WASHINGTON LEGAL CLINIC FOR THE HOMELESS
BEFORE THE COMMITTEE ON HUMAN SERVICES
PERFORMANCE OVERSIGHT HEARING
FEBRUARY 17, 2010**

Good morning Chairperson Wells and members of the Committee. My name is Scott McNeilly and I am an attorney with the Washington Legal Clinic for the Homeless.

The budget for the Interim Disability Assistance program was inadvertently cut in FY 2009 and as a result, over one thousand qualified disabled District residents have been placed on a waiting list for receipt of IDA and been forced to survive with absolutely no source of funds. The other consequence of the waiting list is that the District is foregoing millions of dollars in available Federal revenue.

The Interim Disability Assistance or IDA program has been in existence for almost seven years now and hundreds if not thousands of District residents have been transitioned from IDA onto federally funded SSI benefits. Although I'm sure you're familiar with how it operates, by way of background, the IDA program provides a small monthly grant 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.

As of last June, the recovery mechanism had resulted in the District receiving nearly \$11 million in reimbursements from the Federal government. District residents who have been transitioned onto SSI have had approximately an additional \$40 million to spend in the District economy. For fiscal year 2009 alone, the economic benefit to the District from the disabled residents who are on SSI versus locally funded benefits is estimated at \$19.5 million.

Because DHS uses a unified application and the disability standard is the same, people who qualify for IDA also receive federal Medical Assistance coverage. This saves the District money by ensuring that the medically needy, extremely low-income IDA population has federally funded medical coverage. IDA also saves the District money by helping recipients avoid homelessness or escape homelessness. Many IDA recipients use the money to help with household expenses allowing them to remain on a relative's couch. Other's use the income to qualify for permanent supportive housing or other rent subsidy programs. IDA costs the District about \$8 per day per individual compared with more than twice that cost for emergency shelter.

Another significant savings to the District has resulted from the legal services, DC Bar and pro bono communities coordinating with DHS' program administrators to ensure that IDA recipients have a lawyer for their SSI appeal hearing. Many other jurisdictions are forced to contract for representation for interim assistance recipients. Representation is important because claimants with lawyers have a nearly 90% success rate compared with just over 50% for claimants who are not represented. The District benefits from the donation of literally millions of dollars worth of pro bono legal representation, which in turn has resulted in a higher rate of recovery of federal funds. The IDA program has been one of the most effective public/private partnerships that I've witnessed in my nearly 15 years of working on poverty issues in the District. You may recall that when the Council was creating the IDA, the program had over 130 organizational endorsers.

That's the good news. The bad news is that the Council, probably inadvertently, cut IDA's budget in the fall of 2008 by redirecting O-type funds into the general revenue as a budget gap closing measure. That cut has sent the program into a tail spin. Without the Federal SSI recovery money that was in the IDA O-type fund, DHS has been forced to run a waiting list for receipt of IDA since June of 2009. It is my understanding that no one has come off the waiting list since that time and that there are now well over 1000 individuals on that waiting list.

We need to remember that the District residents who are on that waiting list have produced medical evidence showing that it is likely their disability will qualify for SSI which means they are prevented by their medical conditions from supporting themselves through employment. These individuals have also demonstrated that they qualify financially for SSI and IDA which means they have essentially no income or other financial resources. IDA is the only available mechanism that would allow these individuals to meet their basic needs.

The other consequence of the waiting list is that the District will lose the right to recover Federal revenue on behalf of those needy District residents who are on the waiting list. This loss of potentially millions in revenue will continue to undercut the budget for IDA and impair the ability of the program to assist some of the Districts' neediest residents.

In the 2010 budget passed by the Council, funds were available which would allow DHS to clear everyone off the waiting list. We were advised in November of last year that a notice would go out in December to all individuals on the waiting list, advising them of the steps they needed to take to move their IDA benefits into pay status. That notice never went out and those of us who have partnered with DHS in the implementation of this program have not been able to determine why not. To my knowledge, there has been no public notice of the reprogramming of those funds.

As will no doubt be said many times today, in this time of economic crisis, we cannot allow the budget to be balanced on the backs of our neediest District residents. The funds intended for clearing the IDA waiting list need to be put to their original purpose so that one of our most successful human services programs can continue serving its critical purpose.