

**TESTIMONY OF SCOTT MCNEILLY  
WASHINGTON LEGAL CLINIC FOR THE HOMELESS  
BEFORE THE COMMITTEE ON HUMAN SERVICES  
FY 2011 BUDGET HEARING  
APRIL 19, 2010**

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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.

While we were somewhat relieved to see that the Mayor's budget did not eliminate the Interim Disability Assistance program, a program capped at a 1500 caseload will still leave a significant portion of the need unmet.

The Interim Disability Assistance or IDA program 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 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.

As you know, the Income Maintenance Administration has been running a waiting list for IDA since June 1, 2009. Currently the caseload for IDA is 1305. When the 1500 case load goes into effect as announced on May 1st, 195 people should move from the waiting list to pay status. However, as of April 1<sup>st</sup> of this year, 1089 people were on the waiting list so the upcoming expansion will still leave 894 District residents with no means of sustaining themselves.

And going forward, a 1500 case load program will likely only address a fraction of the need. Prior to the recession, the IDA caseloads were ranging from 2200 to 2400. With the District's loss of low wage jobs, the caseload climbed up to around 2900 at the time the waiting list was initiated in June, 2009. With no indication that the job market for individuals with medical conditions and often adverse vocational profiles has improved, an IDA program limited to a case load of 1500 will likely serve only about half those who need it.

With the length of time people will likely have to wait to get IDA, many clients may never receive assistance and the revenue recovery rate for the program is likely to drop off significantly. Prior to the waiting list, many clients with very severe impairments only received IDA for a brief period before their SSI claim was approved. Those clients will likely never receive IDA under a wait list scenario and the clients who do will be those who have had to negotiate a lengthy appeals process to receive SSI. Those of us who have represented appellants before the Social Security Administration know that there are many meritorious cases that require lengthy appeals. However, the longer an appeal goes on, the greater the risk of a missed appeal deadline, missed consultative examination or some other administrative hurdle which will undermine the District's ability to

recover. The lack of an income for the period the individual was on the waiting list makes the housing instability that exacerbates these problems even more likely.

IDA got to this state because of two separate budget cuts. In the fall of 2008, money in the IDA O-type fund was directed back into the general revenue as a budget gap closing measure. There was approximately \$2.5 million in recovered revenue in that fund at the time and the loss of that money meant DHS couldn't maintain the existing case load.

The FY 2010 Budget passed by the Council had sufficient funds allocated for IDA to allow elimination of the waiting list. However, in December of 2009, as a result of a revised revenue forecast, Mayor Fenty asked Director Carter to identify an additional \$2 million dollars in cuts and again that money came out of the IDA budget.

IDA serves District residents who have proven they have a disability that prevents them from working and have proven that they have no income or assets to support themselves. As such, it represents the very bottom threads of our social safety net. Now, when the need is greatest, is not the time to starve this program. If any additional revenues can be identified, IDA should be first in line to be made whole.

Finally, I'd like to say just a few words about the Homeless Services budget. The Mayor's proposed fiscal year 2011 budget states that "the homeless services continuum will be fully funded, from a combination of Local funds and TANF Emergency Contingency Funds, in a manner that meets the goals of the homeless system redesign initiative." Director Carter said at a recent briefing that the FY2011 budget includes a slight increase for homeless services, assuming the TANF contingency fund application is fully approved.

The concern is that a slight increase is unlikely to keep pace with the need for emergency services much less for the system redesign initiative contemplated in the Interagency Council on Homelessness' new Strategic Action Plan. Although the District has created a successful permanent supportive housing program that had 638 individual and 78 family participants as of January 2010, that only represents 416 new units of housing because the first 300 units were created using vouchers redirected from the Housing Authority that would have served some of the 11,000 people on the Housing Authority waiting list with a homeless preference. Additional units have been created through various government programs but a recent DC Fiscal Policy Institute study shows that since 2000 the District has lost over 22,000 units that cost less than \$750 per month for rent and utilities.

I understand that the goal next year is to use prevention resources more effectively to divert people from the shelter system but all indications are that the need for affordable housing is so far outstripping our ability to produce it that even the most successful diversion program will be overwhelmed. If we don't account for at least the same level of peak emergency need next year we'll end up in the same crisis we faced this year in the family shelter system. In addition, for the new Strategic Action Plan to work, significant additional resources will be necessary to create the new components the Plan calls for and to ensure the outflow to permanent housing that's essential to making the Plan work. It's far from clear that the resources in the FY2011 budget will allow us to meet the ongoing emergency need much less make the essential changes required by the Plan.

Although it is encouraging that we have a Plan that should over time result in significant improvements in the way services are delivered, many of us live in fear that the Mayor will repeat the mistakes made in closing the Franklin shelter and confuse having a plan with achieving a solution. We are years and tens or hundreds of millions of dollars of investment in affordable housing away from having a solution.