



# Proposal to restore benefits for Aid to the Needy Disabled program

*SB-012, Sponsors: Senator Kefalas, Representative Exum*

April 18, 2014

## **SB-012 SUPPORT**

*Aid to the Needy Disabled  
Program*

*Sponsors: Sen. Kefalas,  
Rep. Exum*

### **Proposal Highlights:**

- Funding for Aid to the Needy Disabled (AND) has fallen behind demand for assistance. Caseloads have grown while the monthly benefit has decreased.
- Restore the AND monthly benefit to the pre-recession level.
- Index the AND benefit level to the federal poverty guidelines.
- AND spurs economic activity in Colorado.

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The assistance provided by the Aid to the Needy Disabled (AND) program to Colorado's neediest population has declined in recent years. Although funding has remained stable through the recession, the monthly benefit declined as more people became eligible and enrolled in the program. Increasing funding to AND would ensure that those who are most affected by the great recession are not left behind.<sup>1</sup> By providing a modest monthly cash grant to people with disabilities who are unable to work, AND serves as a critical safety net for the state's most vulnerable citizens. In addition, an economic analysis shows that bolstering the program would provide a boost to the state's economy.

### **AND is the only safety net while awaiting approval for SSI benefits**

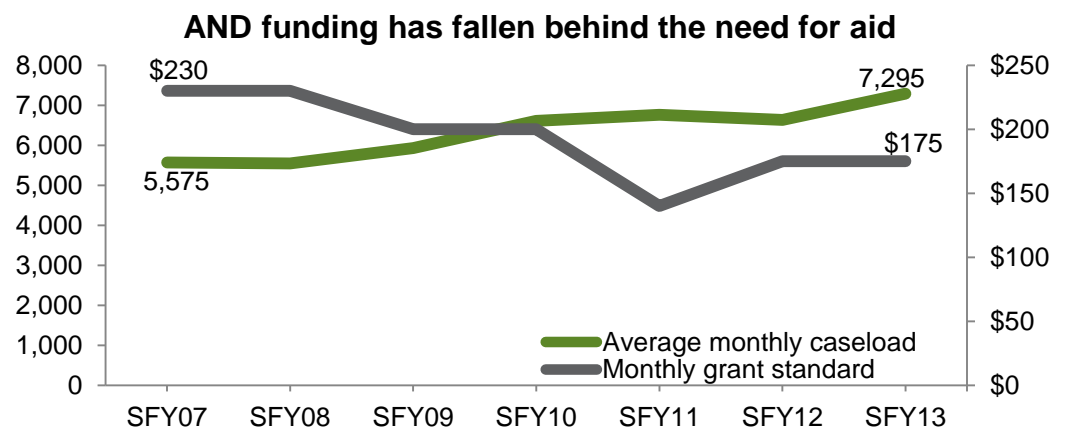
Colorado's AND is only available to Colorado residents who are U.S. citizens, or have legal status, and are 18- to 59-years old with a disability that prevents them from working for at least six months. The value of all their assets must be less than \$2,000. The program is designed to serve people who are unable to work and are awaiting approval to receive Supplemental Security Insurance (SSI) assistance from the federal government. AND recipients must apply for the SSI benefits.

### **Since the recession, AND need increased, benefits decreased**

General Fund appropriations for AND have remained effectively unchanged since before the recession began. As economic conditions deteriorated, more Coloradans were forced to rely on AND, which drove down the monthly grant standard. Stagnant state funding has created undue pressure on the AND program (See Figure 1):

- Since fiscal year 2007, average monthly caseload has increased by nearly 2,000 people, growing to 7,295.
- In the same time span, the average monthly benefit provided to AND recipients decreased roughly 25 percent from \$230/month to \$175/month.<sup>2</sup>

Figure 1.



## **Proposal**

Colorado should secure the future of the AND program and restore funding to the pre-recession benefit level by linking the size of the benefit to the Federal Poverty Guidelines. Establishing the benefit at an amount that is equal to 28 percent of the Federal Poverty Guidelines income standard for a single person would return the benefit to its state fiscal year 2006-2007 level. The benefit would adjust appropriately each year with changes in the poverty measure.

The proposed changes would require a \$7.7 million increase in AND funding. This proposal would relieve the substantial pressure on the program and its beneficiaries that was created by the 2007 recession by restoring benefit levels. It would also help ensure that benefits will keep up with increases in the cost of living.

## **AND benefits all Coloradans**

In addition to serving the neediest Coloradans, increasing spending on AND by \$7.7 million would provide a boost to Colorado's economy. New AND spending would support an additional 200 jobs and spur roughly \$15 million in economic output across the state.<sup>3</sup> AND funding is money well spent, and is the last line of support for the most vulnerable Coloradans.

## **Supporters**

9to5 Colorado

AARP

All Families Deserve a Chance (AFDC) Coalition

Colorado Center on Law and Policy

Colorado Coalition for the Homeless

Colorado Impact

Colorado Social Legislation Committee

Cross Disability Coalition of Colorado

Denver Regional Council of Governments

Denver Urban Ministries

League of Women Voters of Colorado

Mental Health America – Colorado

Metro Care Ring

National Council of Jewish Women- Denver Section

Senior Lobby

The Legal Center for People with Disabilities and

Older People

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<sup>1</sup> Funding for AND comes from three main sources. The majority of funding for AND comes from the State General Fund. The Federal government provides some assistance in the form of reimbursement payments to the state when a person is approved for Federal Supplemental Security Insurance. A small amount of funding also comes from local level funds.

<sup>2</sup> Colorado Department of Human Services. Data from Fiscal Year 2006-2007 to Fiscal Year 2012-2013.

<sup>3</sup> CCLP estimate of economic impact derived from IMPLAN input/output economic modeling software.