



Washington Insider – Monthly Newsletter

To build a better economic future for people with disabilities and their families

National Disability Institute (NDI) is a not-for-profit research and community development organization dedicated exclusively to promote work, saving, and asset building for persons with disabilities and their families nationwide. As the creator of the Real Economic Impact Tour, in collaboration with the IRS, FDIC, US Departments of Labor, Education, Health and Human Services, and the Social Security Administration, over 20 national organizations, and support from Bank of America, AT&T, Wal-Mart Foundation, Acorda Therapeutics and Darden Restaurants Foundation, NDI and the Tour volunteers have assisted over 151,750 taxpayers with disabilities in 60 cities nationwide gain refunds of over 136 million dollars. With financial education programs, improved access to matched savings accounts and other asset development strategies, NDI is creating a roadmap to financial stability and independence for people with disabilities and their families. From Capitol Hill to state capitols, from urban centers to rural communities across the country, NDI invites you to join with us to promote an economic empowerment agenda, with a focus on policy change and public-private collaboration. Help advance solutions to the challenges of poverty adversely impacting the independence and quality of life for millions of individuals with disabilities regardless of age, gender or race.

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NDI Briefs Senior White House Officials on Top Policy Recommendations to Promote Economic Development and Self-Sufficiency for Individuals with Disabilities

1. Engage in High-Impact Taxation Policy Reform by:

- (a) Significantly increasing funding of the **IRS Volunteer Income Tax Assistance**

(VITA) Community Assistance Matching Grant Program.

- (b) **Expanding the Real Economic Impact Tour** in partnership with the IRS and VITA program to reach an additional 1.1 million workers with disabilities who are eligible but not yet claiming the credit.

2. Express support for the following emerging legislative initiatives that seek to promote asset development and economic self-sufficiency among individuals with disabilities:

- (a) ***Achieving a Better Life Experience Act (ABLE)***, which would help individuals with disabilities and their families cover gateway costs and plan for a better economic future.
- (b) ***Savings for Working Families Act***, which would dramatically expand the opportunity for low-income people with and without disability to open individual development accounts and gain financial literacy and realize specific asset goals.
- (c) **Reform asset limits used to determine eligibility under SSI and Medicaid.**

Enabling SSI recipients with disabilities to work toward increased financial self-reliance and a higher quality of life is an imperative component of any true policy reform aimed at improving the economic status of individuals with disabilities. While some SSI recipients are currently avoiding asset limit tests by holding federally funded Individual Development Accounts (IDAs) or by developing a Plan to Achieve Self Support (PASS) with the approval of the SSI program, neither of these vehicles are currently in widespread use. In addition, both types of accounts limit the purposes for which assets may be used. NDI offered a number of key proposals that have been

developed in partnership with the Council for Economic Development (CFED), which are discussed in greater detail in the “Special Focus” section on [page 8](#).

4. Possible White House Initiatives

- (a) **Create by Executive Order a cross-agency time-limited Commission** to identify barriers and promote solutions to advance the economic self-sufficiency of individuals with disabilities and their families.
- (b) **Bring financial literacy and free tax assistance to every One Stop Career Center** that is part of the Workforce Investment system as a mandated program.
- (c) **Host national Asset Summit** that is led by the private sector and champions the rights of all underserved markets, including low income, disability, native American, English as a second language, elderly and people living in rural areas.
- (d) **Create an Economic Stimulus Disability Advisory Council** comprised of representatives of each agency involved in the implementation of the American Recovery and Revitalization Act to meet regularly to evaluate progress and any delays in implementing key provisions of the ARRA that directly impact individuals with disabilities.

NDI will continue to work with the White House Domestic and Economic Policy Councils to provide more specific information on recommended strategies for tackling each of these priorities in the months to come. NDI will also reach out to several key stakeholders

from the disability research and policy arena to help inform this continued dialogue. [Back to Top](#)

FY 2010 FEDERAL BUDGET and APPROPRIATIONS UPDATE

NDI Joins Coalition of National Organizations to Advocate for Greater Increases in Federal Funding of the Community VITA Matching Grant Assistance Program

The **Community Volunteer Income Tax Assistance (VITA) Matching Grant Program** is one of three federally-supported taxpayer education and assistance programs funded through the Internal Revenue Service, and was initiated via a joint explanatory statement accompanying the FY 2008 Financial Services and General Government Appropriations Act enacted on 26 December 2007 (P.L. 110-161). In this statement, both the House and Senate Appropriations Committees directed the Internal Revenue Service (IRS), in collaboration with the National Taxpayer Advocate Service, to submit a proposed design for a new matching grant component for the Community Volunteer Income Tax Assistance (VITA) program. The matching grant program is intended to provide direct funds to enable VITA programs to extend services to underserved populations and hardest-to-reach areas, both urban and non-urban, as well as to increase the capacity to file returns electronically, heighten quality control, enhance training of volunteers, and significantly improve the accuracy rate of returns prepared by VITA sites. The program was funded in FY 2008 at an initial \$8 million, and a similar level of funding was directed to expand the program via the FY 2009 Omnibus

Appropriations Act and the American Recovery and Revitalization Act of 2009.

Focused on ensuring that low-income individuals living with disabilities achieve parity with regards to accessing free tax assistance and support equal to that which is available to other special needs populations targeted by federally-funded programs, NDI has been working with members of both the House and Senate Appropriations Committee to push for expansion of the Community VITA Matching Grant Assistance program. To achieve this, NDI recently joined a coalition of national community-building non-profit organizations, the Center for Economic Progress and the United Way to aggressively advocate for a significant increase in the annual funding of this important program from \$8 million to \$14 million in FY2010.

Prior research has identified persons with disabilities as a major underserved market segment in terms of receiving support from national low-income tax assistance programs, asset building coalitions and the private sector financial services. For this reason, the House and Senate Appropriations Committees specifically identified people with disabilities as one of the six primary populations to be targeted in the Community VITA matching grant program. **Unfortunately, in 2008, only 3 of the 121 VITA matching grants awarded focus specifically on people with disabilities as the grant's primary target population (and only 12 list people with disabilities as a secondary focus).** Thus, it is imperative that in addition to advocating for significant increases in the program so that more VITA sites receive federal support, an increased emphasis in supporting sites that are specifically targeting their outreach efforts to people with disabilities is also warranted. Thus, separate from advocating for increased funding of the overall VITA matching grant

assistance program, NDI is also urging Congress to ensure that a reasonable proportion of resources allocated to the VITA program be dispersed to VITA sites and entities who are promoting demonstrated services for taxpayers with disabilities.

The Appropriations Subcommittee on Financial Services is expected to begin deliberations on the FY 2010 appropriations in late June.

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Future of Disability Program Navigator Unclear: Funding Zeroed out in President Obama's FY2010 Budget

After seven years of demonstrating incremental improvements in increasing access of the One-Stop Career Centers for individuals with disabilities, the Disability Program Navigator (DPN) Initiative is in jeopardy. On May 7th, the Obama Administration released the President's FY 2010 federal budget recommendations, which included a recommendation to eliminate future funding of the DPN initiative.

Under the Workforce Investment Act (WIA) of 1998, the DOL/ETA directed funds and resources to improve workforce services for individuals with disabilities, including those with psychiatric and other non-visible disabilities. Funding for the Disability Program Navigator (DPN) Initiative was in response to barriers to One-Stop services including physical and program accessibility, and meaningful and effective participation of job seekers with disabilities in the workforce investment system.

Since 2003, DOL/ETA has allocated approximately \$112 million, along with \$12 million from the Social Security Administration (SSA) to jointly fund, implement and evaluate the DPN Initiative within the state level

workforce investment system. This Initiative promotes comprehensive services and work incentive information for SSA beneficiaries and other people with disabilities, through the One Stop system. The Initiative focuses on developing new and ongoing partnerships to achieve seamless, comprehensive, and integrated access to services, creating systemic change, and expanding the workforce development system's capacity to serve customers with disabilities and employers. There are currently about 450 Disability Program Navigators (DPNs or Navigators) across 43 states, the District of Columbia, Puerto Rico, the U.S. Virgin Islands and Guam.

Data collected over the past six years provides a strong picture of improved access and an increase in the effective and meaningful participation of individuals with disabilities in the workforce investment system through the work of the Disability Program Navigators. Through building relationships with other programs, the DPN Initiative has served as the liaison to the workforce investment system to help expand opportunities for job seekers with disabilities.

In response to concerns expressed about the Administration's intent to eliminate the program, Secretary of Labor Solis made the following statement: "The directed funding for the Workforce Incentive Grants were originally appropriated for a 3-year pilot. They were in existence for seven years. This demonstration program has accomplished its mission and the lessons learned are being incorporated into other programs. Building on the best practices developed under the Incentive Grants the budget boosts funding for the Office of Disability Employment Policy by \$10 million dollars to facilitate the employment and advancement of individuals with disabilities." However, given that individuals with disabilities continue to have the highest rates of

unemployment over any other subpopulation in the country (12.9% as recorded by the DOL's own Bureau of Labor Statistics just this month), it is difficult to ascertain why Secretary Solis would consider the mission of the DPN Initiative complete. As a result, Senator Tom Harkin, Chair of the Senate Appropriations Committee on Labor, Health and Human Services and Education, is currently reviewing a number of options for reinstating funding for the DPN Initiative during the FY2010 appropriations process despite attempts to eliminate funding for the program in the President's budget recommendations.

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Legislative Update:

ABLE Act Update

May was an aggressive month for advocacy efforts around *the Achieving a Better Life Experience Act of 2009* (H.R. 1205/S. 493), as the number of cosponsors in the House exceeded over 100 members.. As reported in previous editions of the *Washington Insider*, the ABLE Act would amend the Internal Revenue Code of 1986 to provide for the establishment of tax deferred accounts for the future care of family members with disabilities.

The ABLE Act would give individuals with disabilities and their families access to savings accounts that would allow individual choice and control while protecting eligibility for Medicaid, SSI, and other important federal benefits for people with disabilities. Individuals could create a disability savings account that would accrue interest tax-free. Withdrawals would not be taxed as long as they are used to pay for qualified expenses. The account could fund a variety of essential expenses for the person with a disability, including educational expenses; medical and dental care; health,

prevention, and wellness expenditures; employment training and support; assistive technology; personal supports services; transportation; housing; and other expenses for life necessities.

Only six weeks after its introduction in the House of Representatives, H.R. 1205 now possesses over 105 cosponsors. Additionally, the Senate version (S. 493) now has ten cosponsors. NDI is partnering with other external organizations to sponsor an educational briefing for Congressional staff, which has been rescheduled for July 21st from 12-1:30. NDI is also working with other stakeholders to begin a series of discussions with key Congressional staff who will be responsible for preparing the key Committees of Jurisdiction on actions taken around the ABLE Act. Additional educational materials will be available within the next two weeks and posted onto NDI's website at www.ndi-inc.org.
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Congressional Hearing on Recent Improvements of Ticket-to-Work Program held May 19th

On May 19, 2009, U.S. Representative John Tanner (D-TN), Chairman of the House Ways and Means Social Security Subcommittee, convened a hearing covering programs that help Social Security disability beneficiaries return to work, including the Ticket to Work Program. The hearing was set to assess the impact of SSA's recent efforts to improve the Ticket to Work program. The hearing also examined the implementation and effectiveness of the WIPA and PABSS programs, delays in processing reports of earnings by disability beneficiaries, and SSA's plan to strengthen its demonstration authority. Public comments were due by June 2nd. To

read the House News Release, please visit:
<http://waysandmeans.house.gov/news.asp?formode=release&id=899>. [Back to Top](#)

Harkin Expected to Introduce 14-c Reform Legislation in June

In the aftermath of an Iowa-based investigation of the actions of a turkey manufacturing plant who housed and employed individuals with significant disabilities in squalor conditions under existing federal programs, Senator Harkin is expected to introduce legislation in the next 2 weeks that would phase out current regulations that allow employment providers to pay subminimal wages to and withdraw room and board from such wages for individuals with significant intellectual and developmental disabilities.

While the eventual phasing out of subminimal wage has been an area of interest among several disability advocates, several concerns exist around the elimination of subminimal wage certificates prior to the development of other major policy reforms to help prepare employers who currently use the subminimal wage certificate to employ over 400,000 individuals with significant disabilities in the U.S. A "Do No Harm" tone has been set by numerous national disability organizations, and several advocacy groups are encouraging the introduction of more comprehensive, reflective employment legislation focused on individuals with significant disabilities. [Back to Top](#)

House Passes Entrepreneurship Program Overhaul: Legislation expands resources for Native Americans, women and veterans but NOT people with disabilities

The House of Representatives passed legislation to overhaul entrepreneurial

assistance programs for small businesses. The Job Creation through Entrepreneurship Act of 2009 (HR 2352) passed the House of Representatives by an overwhelming 406-15. Proponents say the measure will create jobs and pull the nation out of recession.

The bill:

- Establishes a microenterprise training center program to provide low-income and unemployed individuals with training and counseling with respect to starting a microenterprise.
- Establishes training and counseling programs for veterans. Authorized centers can receive up to \$200,000 a year for five years from the \$12 million appropriation authorized by the bill. Grants to businesses of up to \$75,000 are authorized as well. A local match of 50% is required.
- Creates training and counseling programs for Native Americans, Alaska natives and native Hawaiians and establishes an Office of Native American Affairs within the SBA. It also authorizes \$22 million in fiscal 2010 and \$17 million in fiscal 2011 for the Tribal Business Information Center program and Small Business Development Center grants. Maximum grant size is \$300,000.
- Updates and reauthorizes assistance geared to women-owned operations. Change funding allocations and establishes performance measures for Women's Business Centers, authorizing \$20 million in fiscal 2010 and \$22 million in fiscal 2011 for grants to the centers.
- Authorizes \$1 million per year for fiscal 2010 and 2011 for the National Women's Business Council and requires the Council to produce a study on women's entrepreneurship.
- Establishes a Rural Entrepreneurship Advisory Council.

- Establishes a distance-learning program and online networking forum for current and potential entrepreneurs.
- Provides \$2.5 million for a green entrepreneurship training program.
- Establishes a grant program for Small Business Development Centers to assist local firms in securing capital and establish procurement training programs, authorizing \$2.5 million for fiscal years 2010 and 2011.

While the legislation would have a significant impact with respect to spurring additional entrepreneurship for targeted minority subpopulations, unfortunately no specific emphasis was placed on individuals with disabilities. No similar bill has been considered in the Senate, though Congressional staff on the Senate Small Business Committee staff are said to be reviewing the legislation. It is NDI's intention to brief Senate Committee staff on the importance of expanding the legislation to include targeted initiatives for people with disabilities. [Back to Top](#)

Savings for Working Families Act Re-Introduced

The Savings for Working Families Act of 2009 (H.R.2277/S.985) was reintroduced in the Senate and the House of Representatives in May. The effort to enact the Savings for Working Families Act (SWFA) in the Senate is being led by Senators Blanche Lincoln (D-AR), Joe Lieberman (ID-CT), John Kerry (D-MA), Jim Bunning (R-KY), Olympia Snowe (R-ME) and Susan Collins (R-ME). In the House, the original cosponsors are Representatives Earl Pomeroy (D-ND), Allyson Schwartz (D-PA), Joseph Pitts (R-PA) and Kevin Brady (R-TX).

The revised bill authorizes funding for an additional 2.7 million Individual Development Accounts (IDAs) and provides \$120 million to

nonprofits to provide financial education. This is a three-fold increase in the number of IDAs and a six-fold increase in the resources for financial education included in previous legislation. These accounts reward the monthly savings of low-income families who are building toward purchasing a lifelong asset—buying their first home, paying for post-secondary education or starting a small business—by providing monetary incentives for opening accounts and matching the deposits of account holders. According to CFED, 85,000 Americans have opened an Individual Development Account: there have been 9,400 home purchases, 7,200 educational purchases, and 6,400 small business start-ups or expansions.

Under the Savings for Working Families Act of 2009, qualified financial institutions would receive a tax credit to offset the cost of matching deposits of IDA account holders up to \$500 per IDA per year for four years. Account providers would receive a \$50 tax credit per account per year to cover administrative costs. The accounts can be set up for any person aged 18-61 who meets earnings and other eligibility requirements. To qualify for the IDA match, the account holder must use the savings for specified purposes and must complete a financial education course before withdrawing any money.

A key feature of the legislation is a provision of \$120 million per year to help defray the program cost that organizations spend to recruit participants and provide financial education. The IDA legislation is the only federal savings bill that supports small business investment, has a role for

nonprofits and provides resources for financial education. [Back to Top](#)

SPECIAL IN-FOCUS: Tackling Asset Limits in Federal Policy

NDI is collaborating with CFED and a number of other national organizations that participate in the Asset Development Kitchen Cabinet to craft a set of proposed policy recommendations for consideration by the Obama Administration and the 111th Congress that would effectively address the challenges resulting from current asset limits imposed on individuals with disabilities. The following policy options are currently being vetted, and external stakeholders are encouraged to provide feedback:

- **Grant states flexibility to adjust the asset test.** Because SSI asset limits are set by the federal government, Congress has the ability to reform the guidelines of SSI asset tests. For SSI, Congress could give states the flexibility to set or eliminate the asset test as they can do now in the Medicaid, S-CHIP and TANF programs.
- **Raise the asset limit.** By increasing the asset limit to a more reasonable level, families are at least allowed to build and maintain a modest pool of savings for retirement, education, or unexpected expenses. The question remains, “By how much do we raise the asset limit that will really benefit individuals with disabilities?”
- **Raise the substantial gainful activity (SGA) under SSI and SSDI to encourage work and greater income production.** Additionally, eliminate Trial Work Period and extended period of eligibility for continuation of SSDI.
- **Index the asset limit to inflation.** Indexing the asset limit to inflation allows the limit to grow over time with the economy. If SSI asset limits had been indexed to inflation and adjusted the same way benefit levels have been since the last asset limit increase in 1989, the asset test would have been \$3,657 for an individual and \$5,486 for a couple in 2009. In 2008, Congress indexed SNAP (Supplemental Nutrition Assistance Program; previously—Food Stamps) asset limits. Although a modest improvement, it is important to note that the existence of an asset limit still sends the signal to program applicants and participants to not save.
- **Exempt categories of assets.** Additionally, certain categories of assets such as tax-preferred retirement accounts and education savings accounts could be exempted from counting toward an asset limit. Congress exempted IRAs, 529s and Coverdells from SNAP asset tests in 2008. This should continue in future years, and also be expanded to include 401(k)s. Additionally, the asset limit should be increased for ongoing SSI eligibility when someone is earning income.
- **Create “categorical eligibility” for certain assets.** Since 1999, 12 states have essentially eliminated SNAP asset limits through “categorical eligibility.” This enables individuals to automatically qualify for a public benefit program based on eligibility for another, thus expanding the availability of public benefits for needy families and reducing administrative burdens.
- **Allow SSI recipients to set aside funds for future expenses related to their**

disability. Persons with disabilities face unique challenges and needs that cannot be provided for with current tax-preferred savings plans. Facilitating saving for these purposes can aid individuals with disabilities in building assets for the future and achieving financial self-reliance.

Stakeholders are encouraged to share their feedback to NDI by emailing Serena Lowe at EwolAneres@gmail.com.

WE WANT TO HEAR FROM YOU!!!

NDI welcomes any comments or feedback that you may have on the information provided in this newsletter, as well as how we can improve communication with you and others. Please feel free to email your suggestions to Serena Lowe at slowe@ndi-inc.org.

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This monthly publication is intended primarily for the thousands of volunteers, community organizers, asset building coalition members, business and government leaders and individuals with disabilities and family members who join with the National Disability Institute (NDI) to promote and build a better economic future for youth and working age adults with disabilities nationwide. This publication will provide a general overview of the federal government process and key developments in the federal policy arena. The content is intended to provide factual information, and any interpretative statements are solely those of the editor.