

Date of Hearing: April 9, 2019

ASSEMBLY COMMITTEE ON HUMAN SERVICES

Eloise Gómez Reyes, Chair

AB 1434 (Kalra) – As Introduced February 22, 2019

SUBJECT: Public social services: SSI/SSP

SUMMARY: Reinstates the annual State Supplementary Payment (SSP) cost-of-living adjustment (COLA) and requires Supplemental Security Income (SSI)/SSP maximum aid payments to be at least equal to 100% of the federal poverty level (FPL). Specifically, **this bill:**

- 1) Reinstates the annual COLA to the SSP payment schedules as of January 1, 2020.
- 2) Requires, when any maximum SSI/SSP aid payment provided to an individual, as specified, is less than 100% of the 2019 FPL for a household of one, the SSP to be increased to bring the maximum SSI/SSP aid payment equal to 100% of the 2019 FPL for a household of one.
- 3) Requires, when any maximum SSI/SSP aid payment provided to a married couple, as specified, is less than 100% of the 2019 FPL for a household of two, the SSP to be increased to bring the maximum SSI/SSP aid payment equal to 100% of the 2019 FPL for a household of two.
- 4) States that the provisions of this bill that require the maximum SSI/SSP aid payments to be increased, if necessary, to amounts equal to 100% of the 2019 FPL for a household of one for individuals or a household of two for married couples are not intended to result in a reduction of any payment provided to an individual or married couple that exceeds 100% of the applicable FPL, as specified.
- 5) Makes technical changes.

EXISTING LAW:

- 1) Establishes in federal law the Supplemental Security Income for the Aged, Blind, and Disabled (SSI) Program to provide cash assistance to meet the basic needs of aged and blind individuals and individuals with disabilities. (42 United States Code Section 1381-1383)
- 2) Establishes the State Supplementary Program for Aged, Blind and Disabled (SSP), which is intended to supplement SSI and provide persons whose need results from age, blindness or disability with assistance and services that help them meet basic needs and maintain or increase independence. (Welfare and Institutions Code [WIC] Section 12000 *et seq.*)
- 3) Provides that eligibility requirements for SSP match federal SSI criteria, and requires a minimum level of SSP benefits to be provided in order to maintain federal Medicaid funding, as specified. (WIC 12000 *et seq.*)
- 4) Defines the California Necessities Index (CNI) to be the weighted average of changes for food, clothing, fuel, utilities, rent, and transportation for low-income consumers, and specifies the methods with which the computation of annual adjustments to the CNI shall be made. (WIC 12201)

- 5) Requires annual adjustments, based on the CNI, to SSI/SSP payment schedules to reflect increases or decreases in the cost of living, as specified, but further stipulates that such adjustments shall not be made, unless otherwise required by statute, for the 2011 calendar year and each calendar year thereafter. (WIC 12201)

FISCAL EFFECT: Unknown

COMMENTS:

SSI/SSP: Eligible individuals and married couples who are 65 years of age or older, blind, and/or living with disabilities can receive a monthly cash benefit through the SSI/SSP program if they meet federal income and resource requirements. To meet these requirements, an applicant must typically have a monthly countable income (i.e., their total income minus certain income that is not counted, such as tax refunds or home energy assistance) that does not exceed the monthly SSI/SSP benefit amount. Additionally, applicants' resources (with the exception of their car, primary residence, and certain other items) must not be valued at more than \$2,000 for an individual or \$3,000 for a married couple. An individual or couple who are eligible for SSI (the benefit funded through the federal Social Security Administration) are automatically eligible for SSP (the state-funded benefit).

SSI/SSP grant amounts vary according to a recipient's circumstances, including: whether a recipient is aged, blind, or living with disabilities; an individual's or married couple's living arrangements; a recipient's marital status; and whether or not a recipient is a minor. The most commonly used payment standard is for an individual or couple who is 65 or over or living with disabilities and who lives independently. The maximum SSI/SSP monthly grant levels for this payment standard are \$931.72 (\$160.72 of which is SSP) for individuals and \$1,564.14 (\$407.14 of which is SSP) for married couples. The SSI/SSP caseload for the state for March 2019 is over 1.2 million recipients. Of these cases, approximately 647,000 people file as individuals and almost 415,000 people file as couples; there are also over 162,000 children with disabilities who receive SSI/SSP. Recipient totals broken out by claim type are as follows: over 352,000 aged, almost 17,000 blind, and over 855,000 living with disabilities.

States are required to provide an SSP in order to receive Medicaid reimbursement from the federal government; the amount of this SSP must, at a minimum, maintain the level of SSP payment that the state made in 1983. Each year, the Social Security Administration adjusts the SSI portion of the grant using the Consumer Price Index (CPI), and this federal COLA is passed through to SSI/SSP recipients in California. This practice enables the SSP portion of the grants to remain at the minimum level allowed under federal law for individuals and couples, thereby allowing the state to maintain its federal Medicaid funding. California historically adjusted the SSP payments amounts by applying an annual COLA using the California Necessities Index (CNI), but this adjustment was made inoperative as part of the 2009-10 Budget Act and the COLA was halted as of 2011. A one-time adjustment was enacted by AB 1603 (Assembly Committee on Budget), Chapter 25, Statutes of 2016, which included a cost-of-living increase to the SSP beginning January 1, 2017, that is equal to the CNI of 2.76%. This resulted in the SSI/SSP monthly maximum grant amounts increasing by \$4.32 for individuals and \$10.94 for couples.

Need for this bill: The 2019 federal poverty level for a household of one is \$1,041 per month; for a household of two, it is \$1,409 per month. This means that the current maximum SSI grant amount for individuals represents less than 90% of the federal poverty level, and the maximum

grant for couples represents just 111% of the federal poverty level. Individuals who are 65 or older, blind, and/or living with disabilities who rely on SSI/SSP as their sole source of income are living below or barely above the federal poverty level, a metric which does not take into account the particular circumstances of a high-cost state like California.

The lack of sufficient affordable housing in California, a significant factor correlated with it being a high-cost state, combined with poverty-level SSI/SSP grant amounts leaves many recipients in a precarious position when it comes to affording and maintaining housing. A February 2018 analysis by the California Budget and Policy Center found that, for every county in the state, the fair market rent for a studio apartment exceeded 50% of the maximum SSI/SSP grant for an individual. For 17 counties, the Fair Market Rent exceeded 100% of the maximum SSI/SSP grant for an individual and, for three of those counties, it exceeded it by 200%, meaning that two individuals receiving SSI/SSP would be spending their entire monthly benefit to share a studio apartment valued at the Fair Market Rent in those counties.

The Western Center on Law and Poverty, sponsor of this bill, states that, “For most SSI recipients the grant is their sole source of income to pay for rent. Because SSP cuts have not been restored and cost of living adjustments not made, the grant has become increasingly inadequate to pay for housing. Most recipients have to find housing in the private market place. Nationally, less than one in four persons eligible for public housing or a Housing Choice voucher receive it. Because California has the country’s highest adjusted poverty level but receives a disproportionately low amount of federal housing assistance, SSI recipients in California are less likely to get a unit where rent is 30 percent of income than recipients in other states. Even rents in subsidized housing programs are unaffordable to SSI recipients. Rents in those units are set at half the state’s median income level of \$35,000 a year, or \$900 a month for rent. This means an SSI recipient getting the maximum of \$931 a month has only \$31 a month to pay for transportation, utilities and toiletries.

“The most common form of housing is renting in the private market place. ...there is a large gap between the Fair Market Rents in most areas of California and the value of the SSI grant. Unlike HUD funded housing or affordable housing projects, there are very few limits on private market rents. Even in areas with the limited forms of rent control permitted in California, local governments cannot regulate rents of units once they have become vacant.”

According to the author, “[This bill] provides a much needed and overdue restoration of past cuts to the state’s share of the SSI/SSP grant program. The state should not allow cuts made to the SSI/SSP program during the great recession to continue to stand. With the ongoing increases in the cost of living in California, from housing to medical costs, this already vulnerable population is facing increased rates of homelessness, poor health, and malnutrition. [This bill] will help protect this vulnerable population from falling further into poverty by bringing the SSI/SSP grant amount to the federal poverty level, which will ultimately save costs among social safety net programs that the state would otherwise incur by doing nothing.”

PRIOR LEGISLATION:

AB 3200 (Kalra, Reyes, and Thurmond) of 2018 would have reinstated, as of January 1, 2019, the SSP annual COLA, subject to an appropriation in the annual Budget Act. AB 3200 died in the Senate Appropriations Committee.

AB 796 (Kalra and Thurmond) of 2017 was similar to this bill and would have reinstated the annual SSP COLA and required the maximum aid payment for SSI/SSP to be indexed to specified percentages of the federal poverty level. AB 796 was held on the Assembly Appropriations Committee's suspense file.

AB 1584 (Brown) of 2016 would have reinstated the SSP COLA. AB 1584 was vetoed by the Governor.

AB 1603 (Assembly Committee on Budget), Chapter 25, Statutes of 2016, included a one-time cost-of-living increase to the SSP beginning January 1, 2017, that is equal to the CNI of 2.76%.

AB 474 (Brown) of 2015 would have, beginning with the 2015-16 fiscal year, required the state maximum SSP grant for individuals to be annually adjusted and increased such that the maximum SSI/SSP combined payment would have equaled 112% of the federal poverty level. AB 474 died in the Assembly Budget Committee pursuant to Article IV, Sec. 10 (c) of the Constitution.

REGISTERED SUPPORT / OPPOSITION:

Support

2-1-1 Humboldt Information and Resource Center
 Alameda County Community Food Bank
 American Civil Liberties Union of California
 American Federation of State, County and Municipal Employees, AFL-CIO
 Bay Area Community Services
 California Alliance for Retired Americans
 California Assisted Living Association
 California Catholic Conference
 California Council of the Blind
 California Food Policy Advocates
 California In-Home Supportive Services Consumer Alliance
 California Women's Law Center
 CalPACE
 Coalition of California Welfare Rights Organizations
 County Welfare Directors Association of California
 Disability Organizing Group for Initiating Total Equality
 Disability Rights California
 Educate. Advocate.
 Empower Family California
 Equal Rights Advocates
 Food Bank of Contra Costa and Solano
 Food for People, The Food Bank for Humboldt County
 Hunger Action Los Angeles Inc.
 Justice in Aging
 Law Foundation of Silicon Valley
 Long Beach Gray Panthers
 Mercy Retirement & Care Center's Mercy Brown Bag Program
 National Association of Social Workers, California Chapter

National Council of Jewish Women California
Sacramento Food Bank & Family Services
San Francisco - Marin Food Bank
San Francisco Senior and Disability Action
United Domestic Workers of America-AFSCME Local 3930/AFL-CIO
Western Center On Law & Poverty, Inc.

Opposition

None on file

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