

Assembly Bill AB 1584 Brown, (Principle Co-Author: Thurmond) SSI/SSP Incremental Restoration Act of 2016

SUMMARY

AB 1584 restores the annual "Cost-Of-Living-Adjustment" (COLA) in the Supplemental Security Income/State Supplementary Payment (SSI/SSP) program to help eligible recipients weather inflationary forces in our economy. AB 1584 also increases SSI/SSP grants for individuals not eligible for the restaurant meal allowance (RMA) and not living in a licensed facility by \$21 per month next year, and by \$21 per month each of the following 3 years (a total of \$84 per month after 4 years).

BACKGROUND

SSI/SSP grants are a critical source of basic income for 1.3 million low-income seniors and people with disabilities in California. Grants are funded with both federal dollars (the "SSI" portion) and state dollars (the "SSP" portion). In order to help close budget shortfalls during the recent Great Recession, state policymakers and the Governor made deep reductions to the state, or "SSP" portion of the grant. Those cuts remain in place today.

The SSI Program is a federally funded program which provides income support to individuals who are aged 65 or older, blind or disabled. SSI benefits are also available to qualified blind or disabled children. The SSP Program is the state program which augments SSI. Both SSI and SSP benefits are administered by the Social Security Administration (SSA). Eligibility for both programs is determined by SSA using Federal criteria. If one qualifies for SSI, they qualify for SSP. The benefits are in the form of cash assistance distributed monthly.

NEED FOR BILL

Starting in 2009, policy makers, in an effort to close unprecedented budget deficits, reduced the state portion of the individual SSI/SSP grant from \$233 to \$156. At the time, the combined SSI/SSP monthly grant was equivalent to \$907 month. The cut reduced the grant to \$830 per month. During the subsequent budget years, the federal portion of the grant (SSI) has grown by \$59 per month, to today's individual maximum grant of \$889.

At a recent informational hearing of the Assembly Committee on Aging and Long-Term Care and the Assembly Committee on Human Services, testimony revealed that current SSI/SSP grants are inadequate to support safe housing, adequate food, and other needs. According to the official US measure of poverty, the Federal Poverty Level, (FPL), an individual must earn at least \$969 per month to make ends meet, and avoid "poverty." At \$889 per month, SSI/SSP provides only 90.7% of the minimum financial need to avoid poverty. SSI/SSP recipients, by definition, are unable to work due to disability, and are thus unable to close the financial gap they face each month leaving them disabled *and destitute*.

Testimony also revealed that housing costs are exceeding most impoverished people's ability to pay. Fair Market Rents (FMR) exceeds 50% of the current SSI/SSP grant in all 58 counties; in 15 counties, FMR exceeds 100% of the SSI/SSP grant.

AB 1584 advances a first-step toward total restoration of recession era cuts. By increasing the state portion of the SSI/SSP grant, California's most impoverished aged, blind and disabled adults will have financial resources to manage California's unusually high costs of living, while stimulating needed economic activity in communities hit hardest by the recession.

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