

SSI Cash-in Summary

Background: Currently SSI recipients in California are ineligible for CalFresh benefits due to an existing state policy choice known as “cash-out.” Effectively, receipt of certain SSI dollars “cashes them out” of CalFresh food benefits. Reversing cash-out, also known as “cash-in” allows formerly excluded SSI cases to receive CalFresh, but also reduces or eliminates CalFresh benefits for certain households.

Requested Technical Assistance: End SSI cash-out by (1) restoring eligibility for CalFresh food benefits to people receiving Supplemental Security Income/State Supplementary Payment (SSI/SSP) and (2) providing a state food benefit to current CalFresh households who experience a decrease in federal food benefits or are discontinued entirely when SSI/SSP income is considered in eligibility and benefit determination. (Making up for decreases is known as “hold harmless” and there are many ways of providing it as discussed in parts 2 and 3 below). Further fiscal details are provided in the attached appendix which separates costs for benefits, administration, and automation.

Caseload Summary

Ending cash-out has the following impacts on California households with respect to the receipt of CalFresh.

Newly participating households:	369,000
Current households with increased benefits:	44,800
Current households with decreased benefits:	73,200
Current households newly ineligible:	7,100

Component Parts

Part 1: End the SSI Cash-Out

This estimate includes new automation costs to count SSI income and allow CalFresh eligibility for SSI/SSP recipients; administration cost for these new CalFresh cases; administration savings for those households that will be discontinued; modest funding for the California Assistance Program for Immigrants (CAPI) to maintain parity; and one-time outreach and enrollment initiative to maximize the participation rate of newly eligible households. This estimate also reflects the change in federal benefits for current CalFresh households that experience an increase or decrease in benefits.

Multiyear Summary (in millions)	BY	BY+1	BY+2	BY+3
Federal	\$ 25.1	\$ 222.1	\$ 291.0	\$ 295.9
State	10.9	17.0	14.7	15.8
County	1.6	5.5	5.6	6.0
TOTAL	\$ 37.6	\$ 244.6	\$ 311.4	\$ 317.7

BY includes Automation and one month of administration and benefits. Automation will begin in August 2018. Pre-enrollment of newly eligible cases will begin in April 2019. The policy change will be effective June 1, 2019. Households in the current caseload will be converted to the new policy at SAR7 or recertification. Conversion will be completed in November 2019.

This estimate utilizes the Mathematica study for the newly participating households, except that a 75 percent participation rate is assumed. The CDSS analysis using the FY 2015 through FY 2017 RADEP sample is used to

determine the number of households in the current caseload that will experience an increase, decrease, or discontinuation and the amount of their benefit change. It assumes that the average monthly caseload of SSI only households will increase by 1% each year beginning in BY+1. The CAPI equity uses a caseload of 14,501 as projected for FY 2018-19 in the 2018 Governor’s Budget; the out years caseload is assumed to be flat. It is assumed that no automation is required to update the CAPI payment standards. Outreach has been estimated at \$5 million in both BY and BY+1. One-time automation costs are estimated to be \$9.0 million in BY.

Part 2: Hold Harmless Existing Cases

A new state food benefit could be provided for to current CalFresh households that experience a decrease in benefits based on a table of flat amounts for household size and number of SSI/SSP recipients in each household. (Note: this table approach is an alternative to an individualized benefit calculation for each household.)

Multiyear Summary (in millions)	BY	BY+1	BY+2	BY+3
Federal	\$ -	\$ -	\$ -	\$ -
State	5.9	83.0	92.0	88.5
County	-	-	-	-
TOTAL	\$ 5.9	\$ 83.0	\$ 92.0	\$ 88.5

The estimate reflects benefits to households currently in CalFresh that experience a decrease in benefits. The estimate assumes households will be converted at SAR or recertification over a 6-month period. Cases will convert beginning June 1, 2019. Conversion will be completed in November 2019. This rolling effective date may require FNS approval. If approval is needed but not received, state cost may increase. It is also assumed that table of benefits will be constructed so that the benefits provided will, on average, replace the lost federal benefits. The estimate does not attempt to forecast changes to SNAP income eligibility or benefit standards. Future changes are likely to increase state benefit costs. One-time automation costs are estimated to be \$4.4 million in BY. The caseload declines over time as household leave the caseload for reasons other than SSI income.

Part 3: Hold Harmless Newly Ineligible

A new state benefit could be provided for current CalFresh households that are discontinued due to SSI/SSP income. However, because they would not be participating in CalFresh, a new state program would need to be created and automated to provide these clients with ongoing food benefits. It is assumed that the new state program will provide each household the benefits they would have received if the cash-out policy had not been reversed.

Multiyear Summary (in millions)	BY	BY+1	BY+2	BY+3
Federal	\$ -	\$ -	\$ -	\$ -
State	12.2	12.7	14.3	13.7
County	-	-	-	-
TOTAL	\$ 12.2	\$ 12.7	\$ 14.3	\$ 13.7

The estimate reflects a benefit for households currently in CalFresh that will lose eligibility due to the inclusion of SSI/SSP income. The estimate assumes households will be converted at SAR or recertification over a 6-month period. This rolling effective date may require FNS approval. If approval is required but not received, state cost may increase. The estimate does not attempt to forecast changes to SNAP income eligibility or benefit standards. Future changes are likely to increase state benefit costs. One-time automation costs are estimated to be \$12.0 million in BY. The caseload declines over time as household leave the caseload for reasons other than SSI income.

Fiscal Summary
All Parts – Total Cost

All Parts with Permanent Hold Harmless for the Current Caseload

Multiyear Summary (in millions)	BY	BY+1	BY+2	BY+3
Federal	\$ 25.1	\$ 222.1	\$ 291.0	\$ 295.9
State	29.0	112.7	121.0	118.0
County	1.6	5.5	5.6	6.0
TOTAL	\$ 55.7	\$ 340.3	\$ 417.6	\$ 419.9