



California Budget
& Policy Center

SSI/SSP Grants in California: Key Context and Recent Trends

MARCH 2015

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The Budget Center was established in 1995 to provide Californians with a source of timely, objective, and accessible expertise on state fiscal and economic policy issues. The Budget Center engages in independent fiscal and policy analysis and public education with the goal of improving the economic and social well-being of low- and middle-income Californians. Support for the Budget Center comes from foundation grants, subscriptions, and individual contributions. Please visit our website at calbudgetcenter.org.

Acknowledgments

Scott Graves prepared this chartbook.



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Key Facts About SSI/SSP Grants

- Supplemental Security Income/State Supplementary Payment (SSI/SSP) grants help **1.3 million low-income seniors and people with disabilities** in California pay for housing, food, and other basic living expenses.
- SSI/SSP grants are provided to individuals and couples. The grant size is based on several factors, including whether recipients have other income and/or live independently.
- Grants are funded with both federal (SSI) and state (SSP) dollars. The Governor's proposed 2015-16 budget would provide \$2.5 billion in state funds for the SSP portion and assumes \$7.4 billion in federal funds for the SSI portion.



State policymakers reduced SSI/SSP grants in order to help close budget shortfalls during the Great Recession.

The recession ended several years ago. However, recession-era cuts to SSI/SSP remain in place and would continue under the Governor's proposed 2015-16 budget.



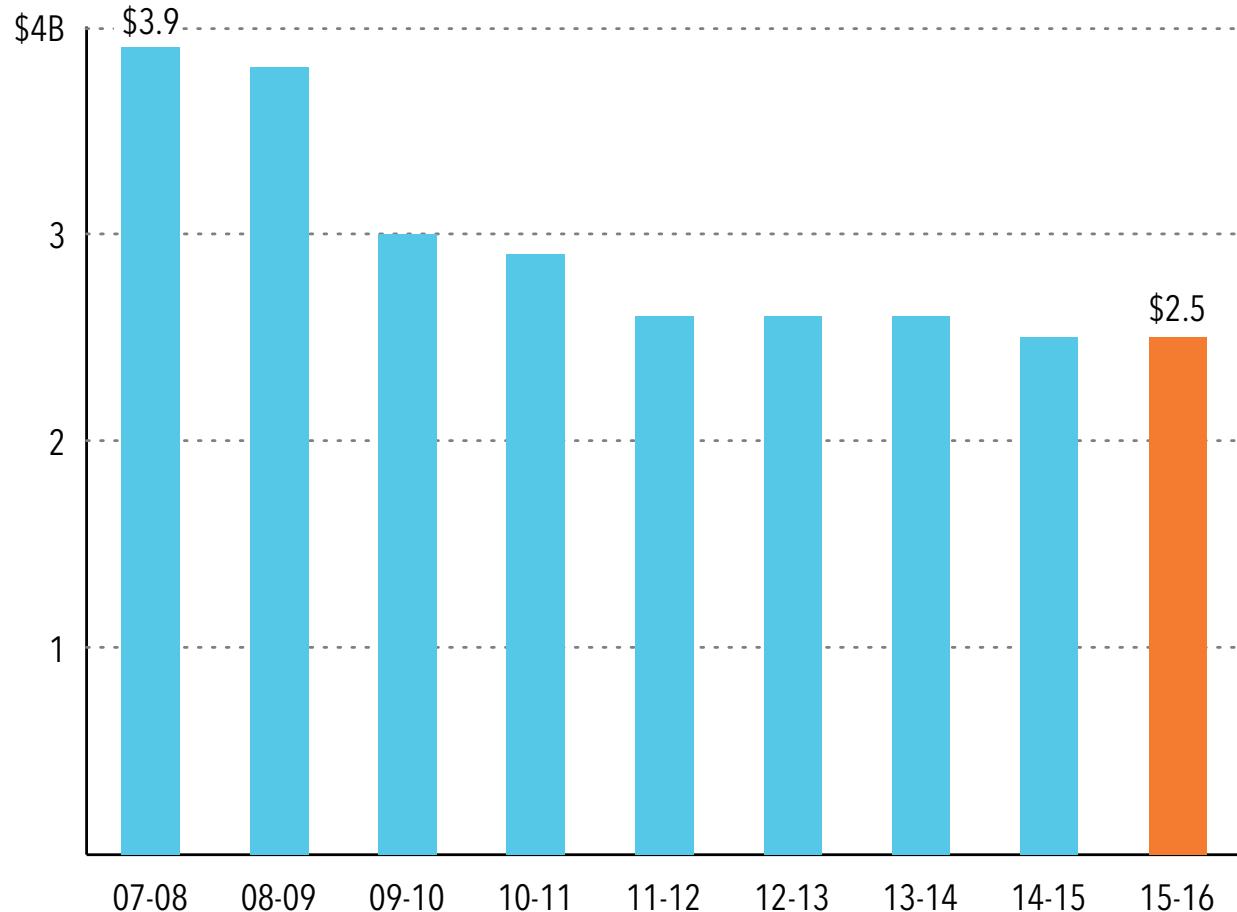
State Support for SSI/SSP Has Been Cut

- Policymakers made several cuts to SSI/SSP grants to help close budget shortfalls that emerged as a result of the Great Recession, which began in 2007. State policymakers:
 - Suspended the state cost-of-living adjustment (COLA) for SSI/SSP grants several times prior to 2010-11.
 - Eliminated the state COLA starting in 2010-11.
 - Cut the state's SSP portion for both individuals and couples to the minimum levels allowed by federal law.
- Due to these cuts, state spending for SSI/SSP grants dropped from **\$3.9 billion** in 2007-08 to **\$2.5 billion** in 2014-15 and would remain at that diminished level in 2015-16 under the Governor's proposed budget.



Due to Budget Cuts, State Spending for SSI/SSP Grants Is More Than One-Third Below the 2007-08 Level

General Fund Expenditures in Billions, Inflation-Adjusted



Note: Figures are in 2015-16 dollars. All figures are estimates except for 2015-16, which is proposed.

Source: Department of Social Services



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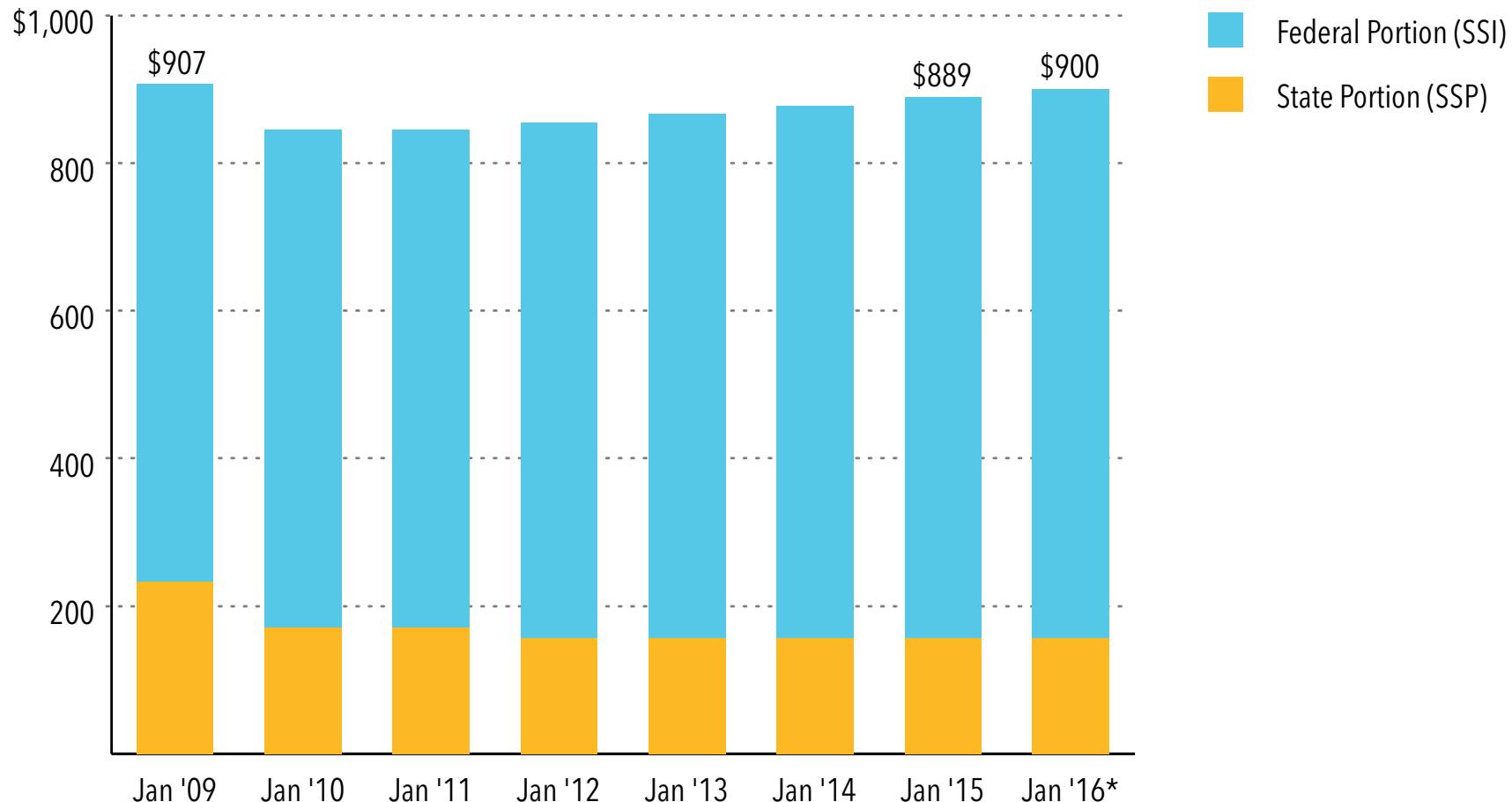
**Due to state budget cuts,
SSI/SSP grants remain below
the January 2009 level.**

**Starting in 2009, state policymakers reduced
the state (SSP) portion of the grant from \$233
to \$156 for individuals and from \$568 to \$396
for couples.**



Due to State Budget Cuts, the SSI/SSP Grant for Individuals Remains Below the January 2009 Level

Maximum Monthly SSI/SSP Grant for Individuals Who Are Elderly or Have Disabilities



* Includes a projected 1.5 percent federal cost-of-living adjustment (COLA) to the SSI portion effective January 2016. The annual state COLA was eliminated starting in 2010-11.

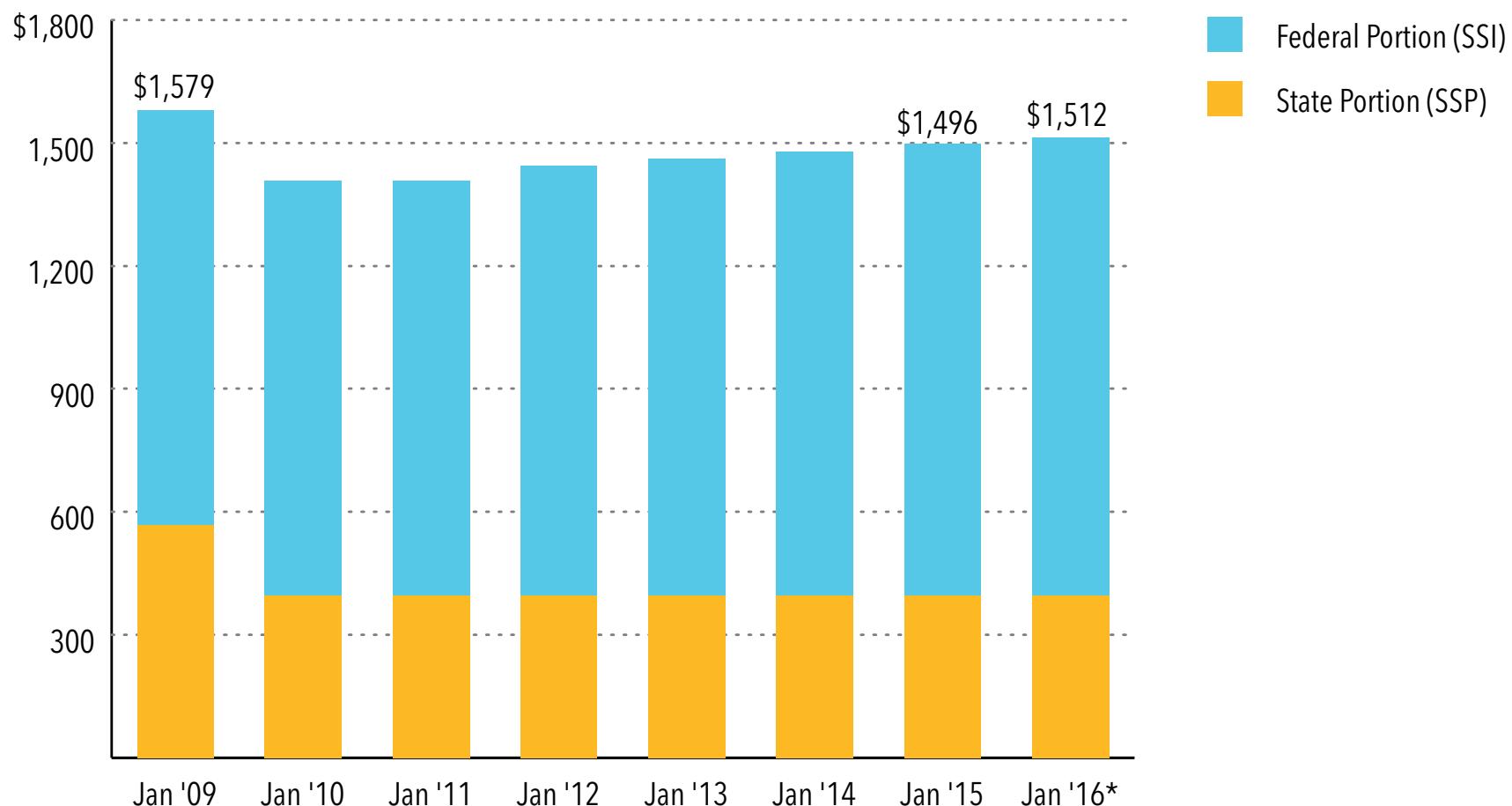
Source: Department of Social Services



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Due to State Budget Cuts, the SSI/SSP Grant for Couples Remains Below the January 2009 Level

Maximum Monthly SSI/SSP Grant for Couples Who Are Elderly or Have Disabilities



* Includes a projected 1.5 percent federal cost-of-living adjustment (COLA) to the SSI portion effective January 2016. The annual state COLA was eliminated starting in 2010-11.

Source: Department of Social Services



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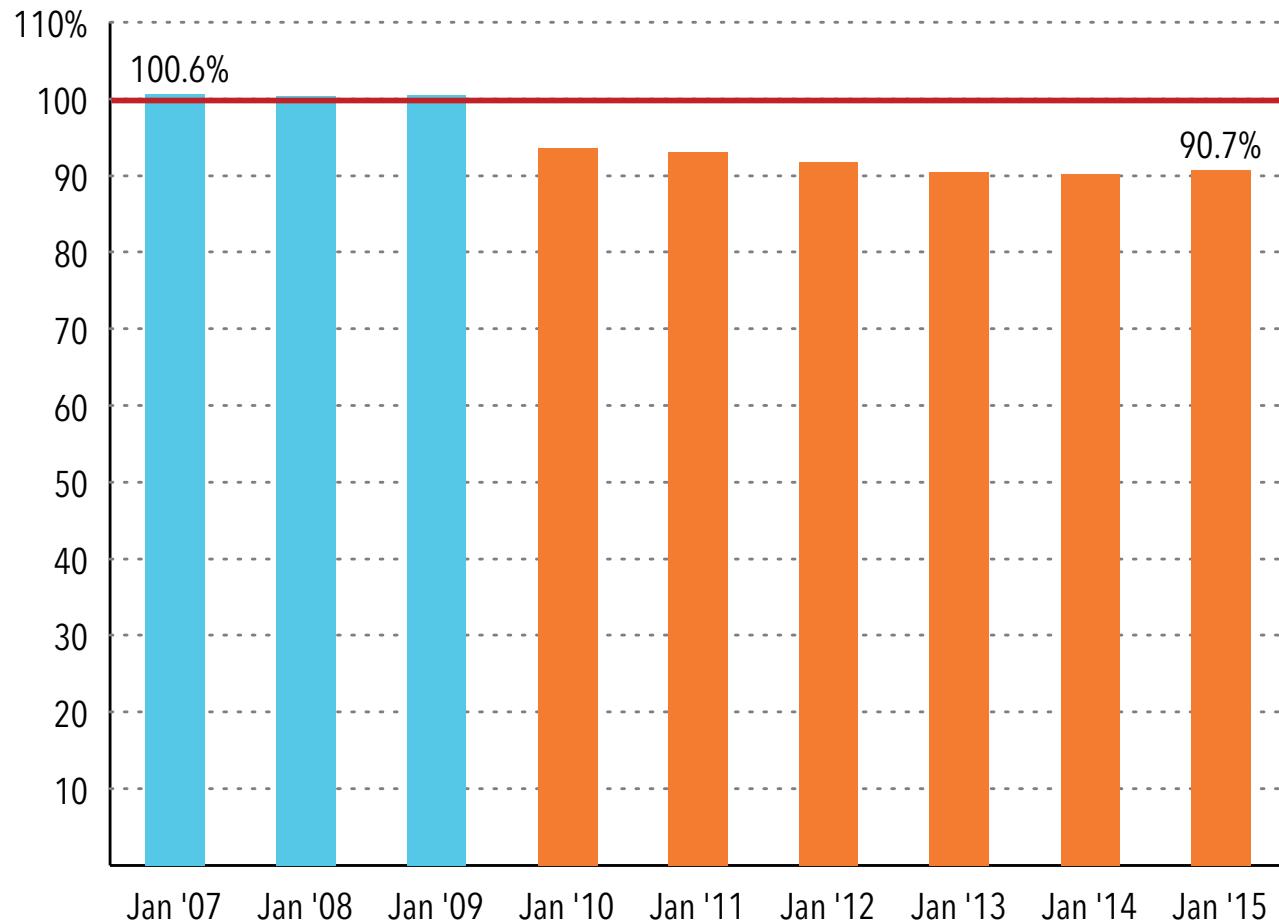
**Due to state budget cuts,
SSI/SSP grants have declined
as a share of the federal
poverty line.**

**The grant for individuals fell below the
poverty line, and the grant for couples
declined to just above the poverty line.**



SSI/SSP Grants for Individuals No Longer Lift Seniors and People With Disabilities Out of Poverty

Maximum Monthly Grant for Individuals as a Percentage of the Federal Poverty Line



Source: Department of Social Services and US Department of Health and Human Services

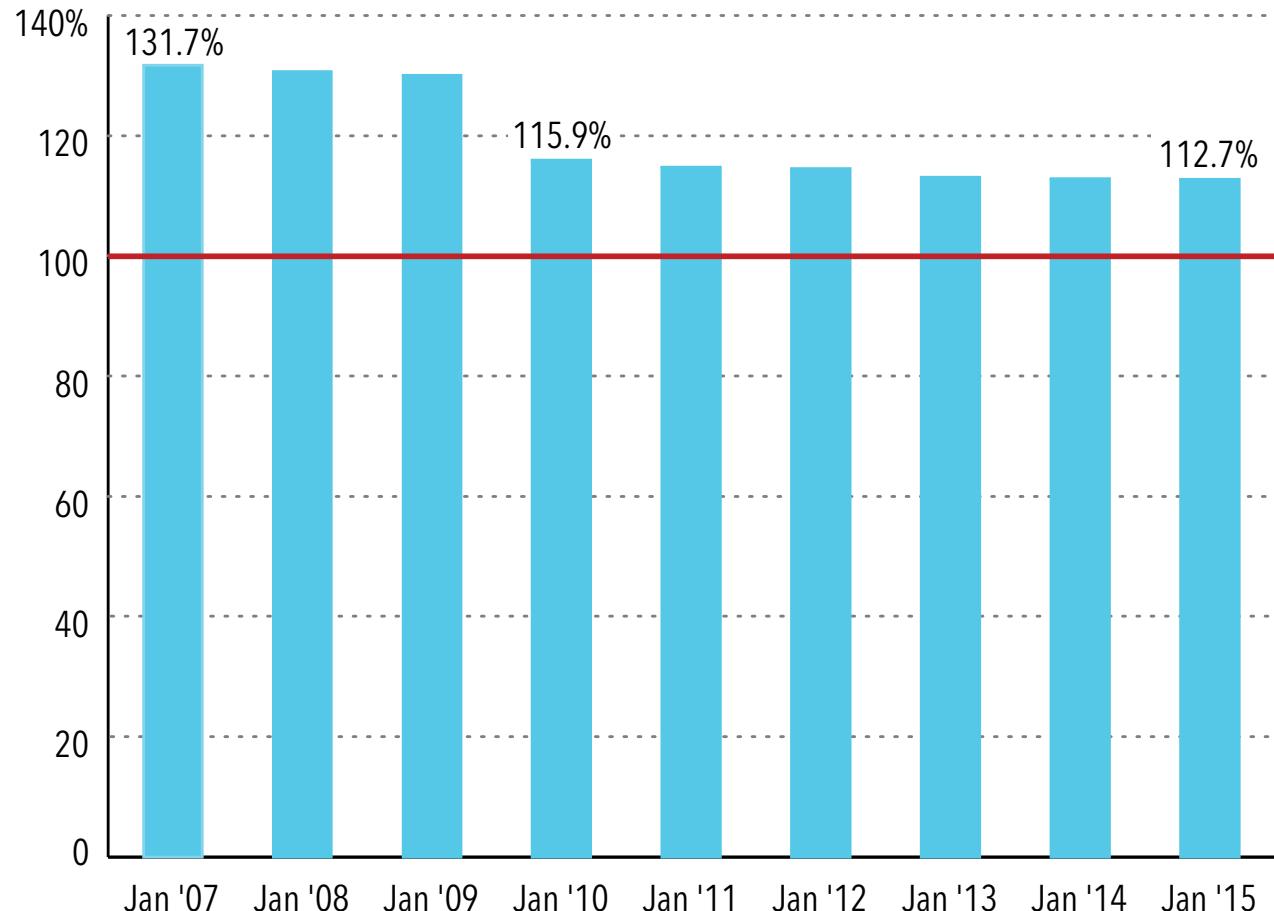


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SSI/SSP Grants for Couples Have Been Declining as a Share of the Federal Poverty Line

Maximum Monthly Grant for Couples as a Percentage of the Federal Poverty Line



Source: Department of Social Services and US Department of Health and Human Services



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A large, semi-transparent light blue circle is positioned on the left side of the slide, covering approximately one-third of the area.

**Due to state budget cuts,
SSI/SSP grants have lost
ground to housing costs in
all 58 counties.**



Housing Costs Are a Significant Concern

- The current “Fair Market Rent” (FMR) for a studio apartment:
 - Exceeds the maximum SSI/SSP grant for an individual (\$889) in 15 counties.
 - Exceeds 50% of the maximum SSI/SSP grant for an individual **in all 58 counties**.
- People are at greater risk of homelessness when housing costs account for more than half of household income.
- For more information, see the Budget Center’s March 2015 fact sheet, “Due to State Cuts, SSI/SSP Grants Lose Ground to Housing Costs.”





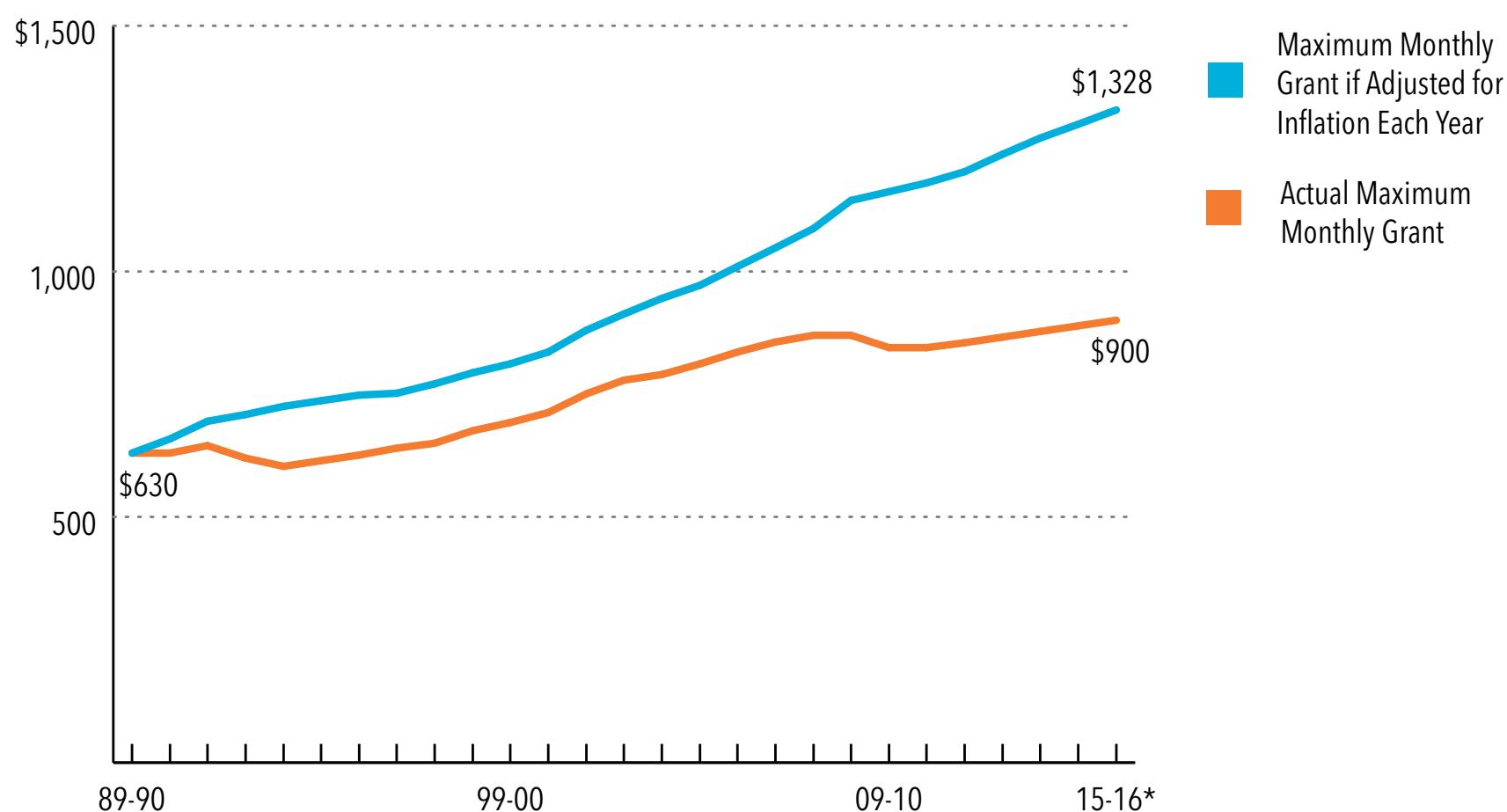
The recent state cuts to SSI/SSP grants are part of a longer-term trend.

Policymakers also reduced state support for SSI/SSP in response to budget challenges during the 1990s and early 2000s.



SSI/SSP Grants Have Lost Nearly One-Third of Their Purchasing Power Since 1989-90

Maximum Monthly SSI/SSP Grant for Individuals Who Are Elderly or Have Disabilities



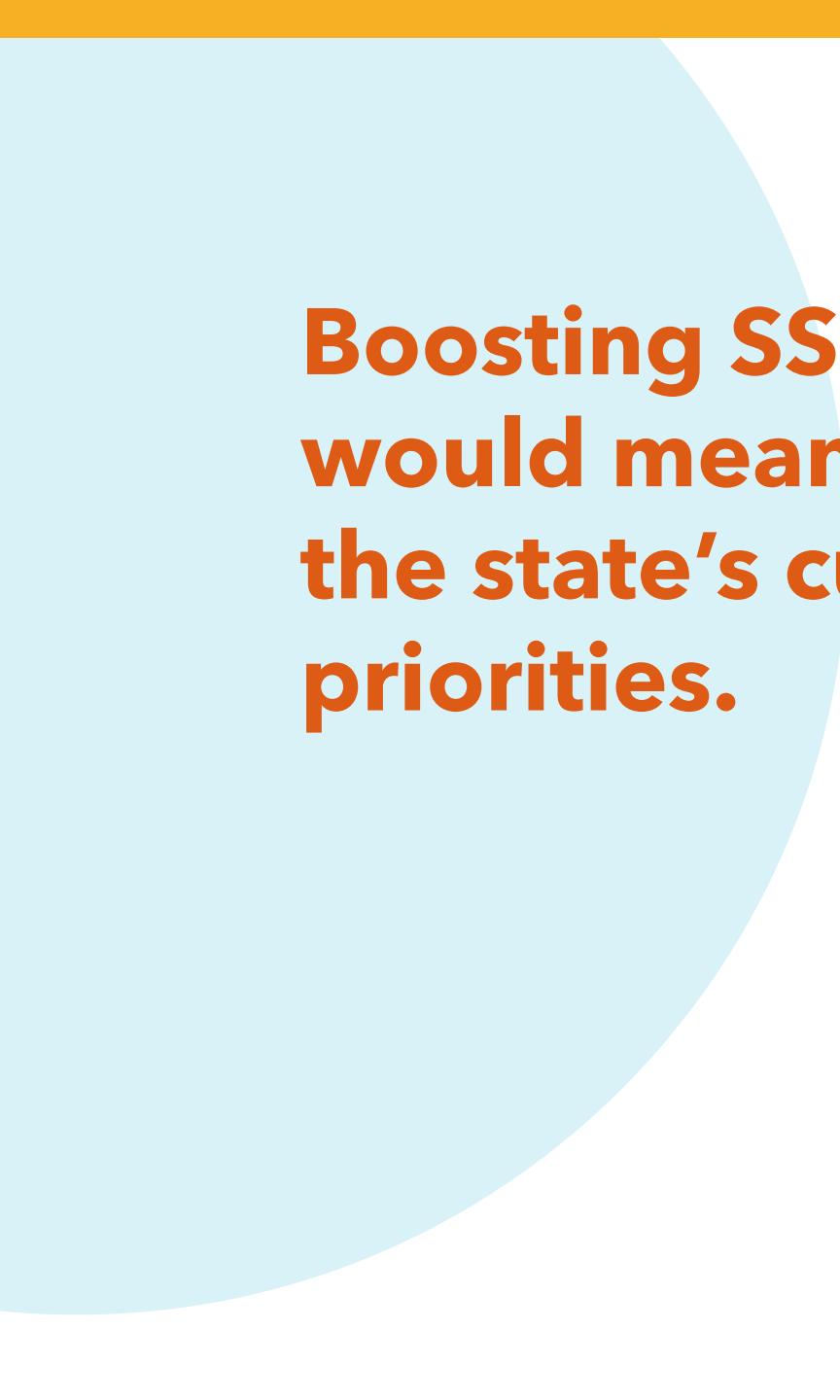
* Includes a projected 1.5 percent federal cost-of-living adjustment (COLA) to the SSI portion effective January 2016. The annual state COLA was eliminated starting in 2010-11.

Source: Budget Center analysis of Department of Finance and Department of Social Services data



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**Boosting SSI/SSP grants
would mean changing
the state's current budget
priorities.**

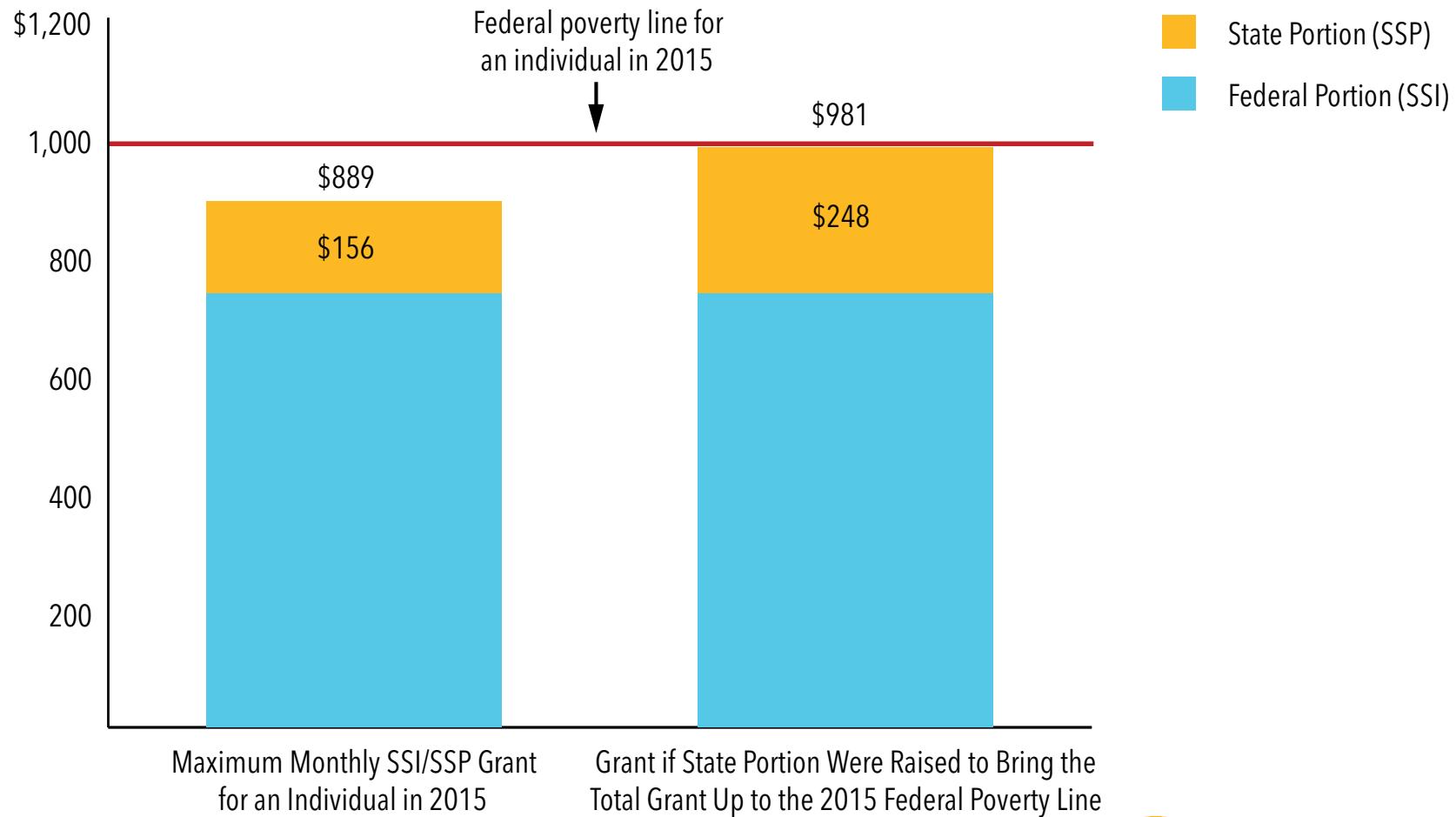


SSI/SSP: Status Quo or Reinvestment?

- The Governor's multi-year budget forecast assumes California will leave in place the recent cuts to SSI/SSP grants for at least the next several years.
- Maintaining these cuts would result in more than \$1 billion in annual state General Fund "savings," but jeopardize the well-being of 1.3 million low-income Californians.
- Reversing these cuts – whether immediately or over time – would mean changing the state's current budget priorities. For example, the state's SSP grant for individuals would have to increase by more than \$90 per month to bring the total SSI/SSP grant up to the federal poverty line in 2015.



SSP Grants Would Have to Rise by Over \$90 Per Month to Bring the Total SSI/SSP Grant Up to the Poverty Line



Source: Department of Social Services and
US Department of Health and Human Services



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