



CALIFORNIA BUDGET PROJECT

SSI/SSP Grants in California: Key Context

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A PRESENTATION BY
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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 food, housing, and other basic living expenses.
- SSI/SSP cash assistance is provided to individuals and couples. The maximum grant is based on a number of factors, including whether recipients live independently.
- Grants are funded with both federal (SSI) and state (SSP) dollars. In 2014-15, **federal** support will total **\$7.2 billion** and **state** support will total **\$2.5 billion**.

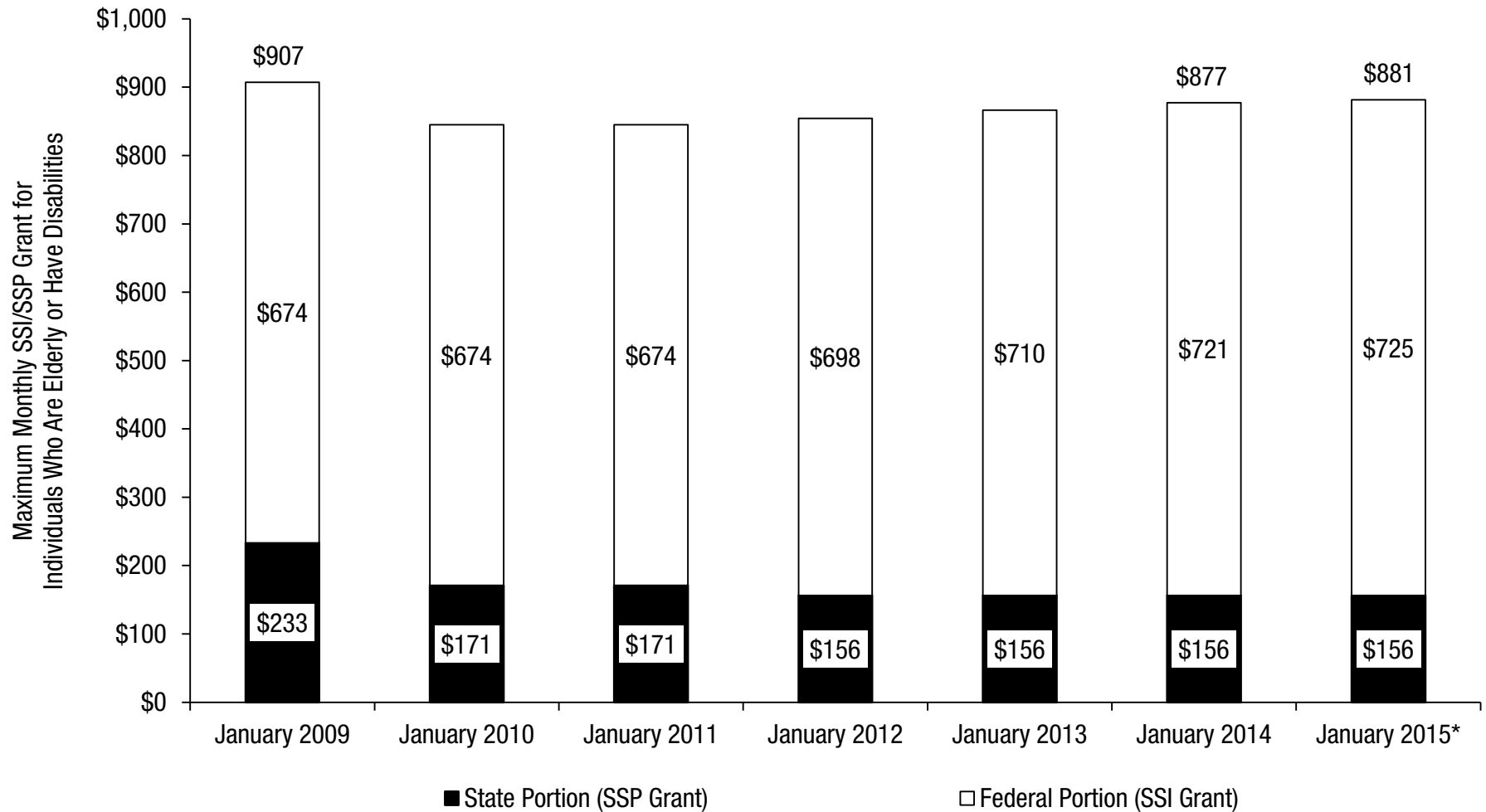
State Policymakers Have Reduced SSI/SSP Grants

- Over a number of years, state policymakers reduced SSI/SSP grants in order to decrease the state's costs for the program. State policymakers:
 - **Suspended** the annual 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 (SSP) portion of the grants, reducing it to the minimum allowed by federal law for both individuals and couples.

SSI/SSP Grants Remain Below the January 2009 Level

SSI/SSP Grants for Individuals Remain Below the January 2009 Level, Even Without Adjusting for Inflation

State Policymakers Cut the SSP Portion of the Grant From \$233 in 2009 to \$156 by 2012

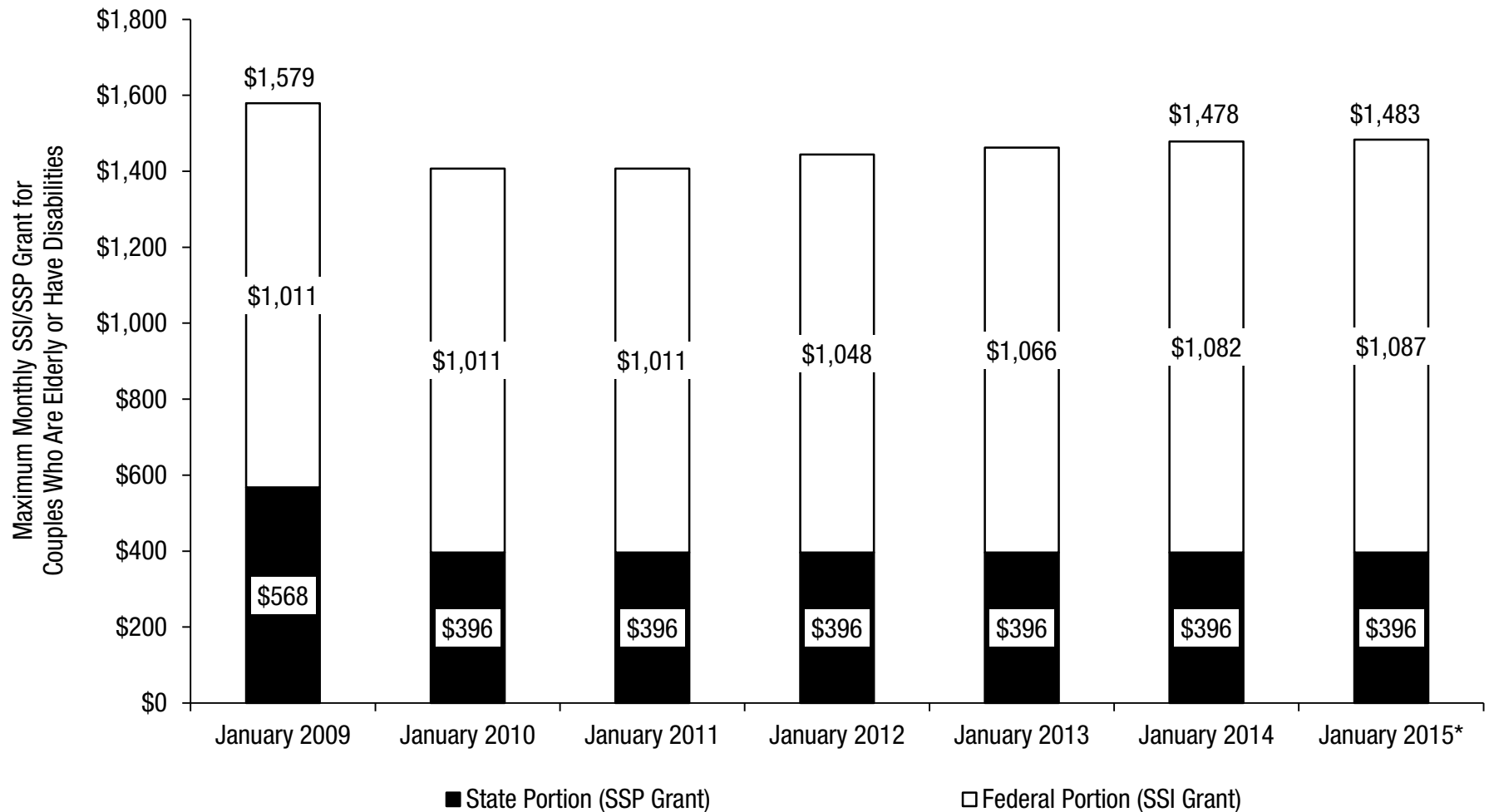


* Reflects a projected 0.5 percent federal cost-of-living adjustment (COLA) to the SSI portion of the grant effective January 1, 2015. The annual state COLA for SSI/SSP grants was eliminated starting in 2010-11.

Source: Department of Social Services

SSI/SSP Grants for Couples Remain Below the January 2009 Level, Even Without Adjusting for Inflation

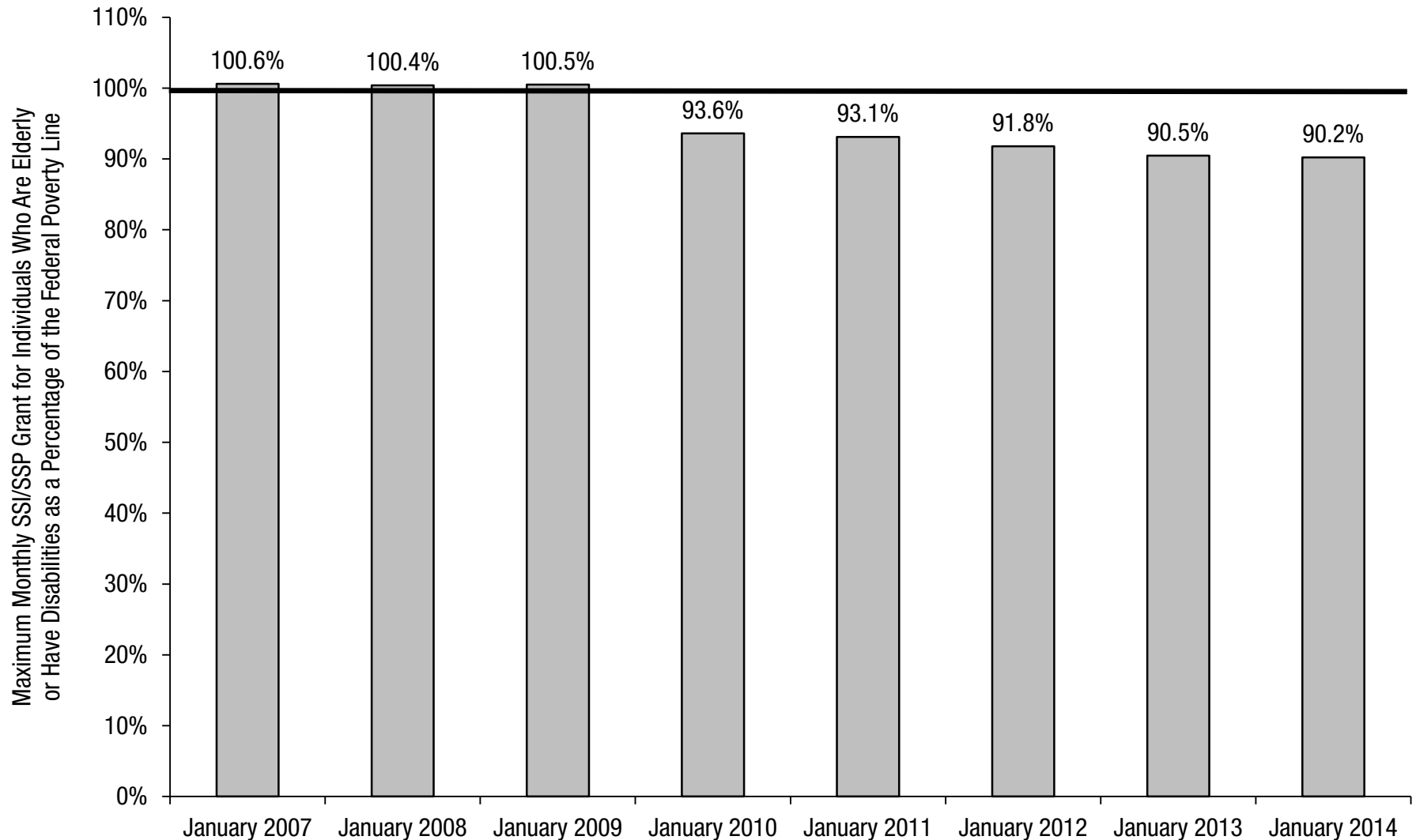
State Policymakers Cut the SSP Portion of the Grant From \$568 in 2009 to \$396 in 2010



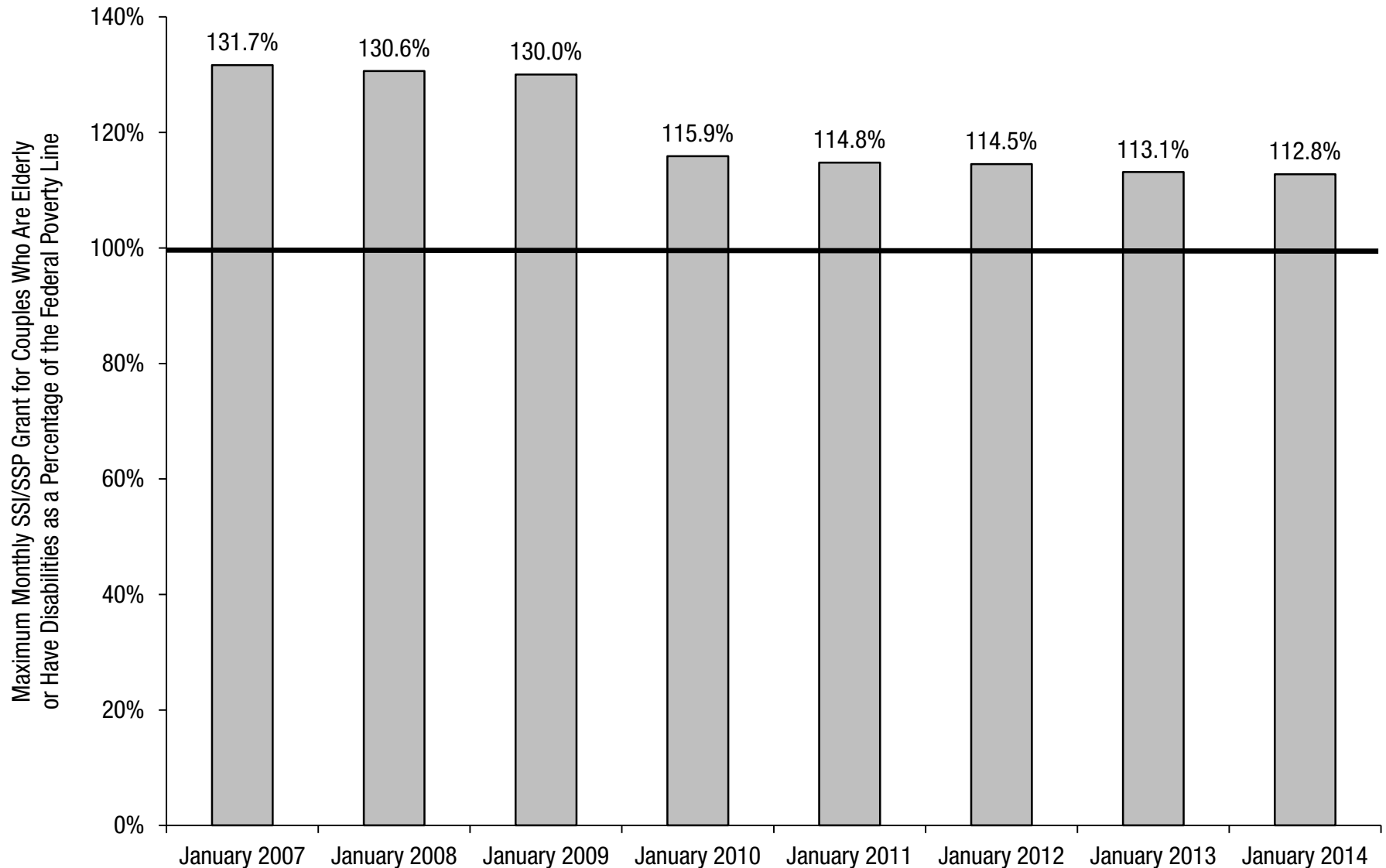
* Reflects a projected 0.5 percent federal cost-of-living adjustment (COLA) to the SSI portion of the grant effective January 1, 2015. The annual state COLA for SSI/SSP grants was eliminated starting in 2010-11.
Source: Department of Social Services

SSI/SSP Grants Have Declined as a Share of the Federal Poverty Line

SSI/SSP Grants for Individuals No Longer Lift Seniors and People With Disabilities Above the Federal Poverty Line

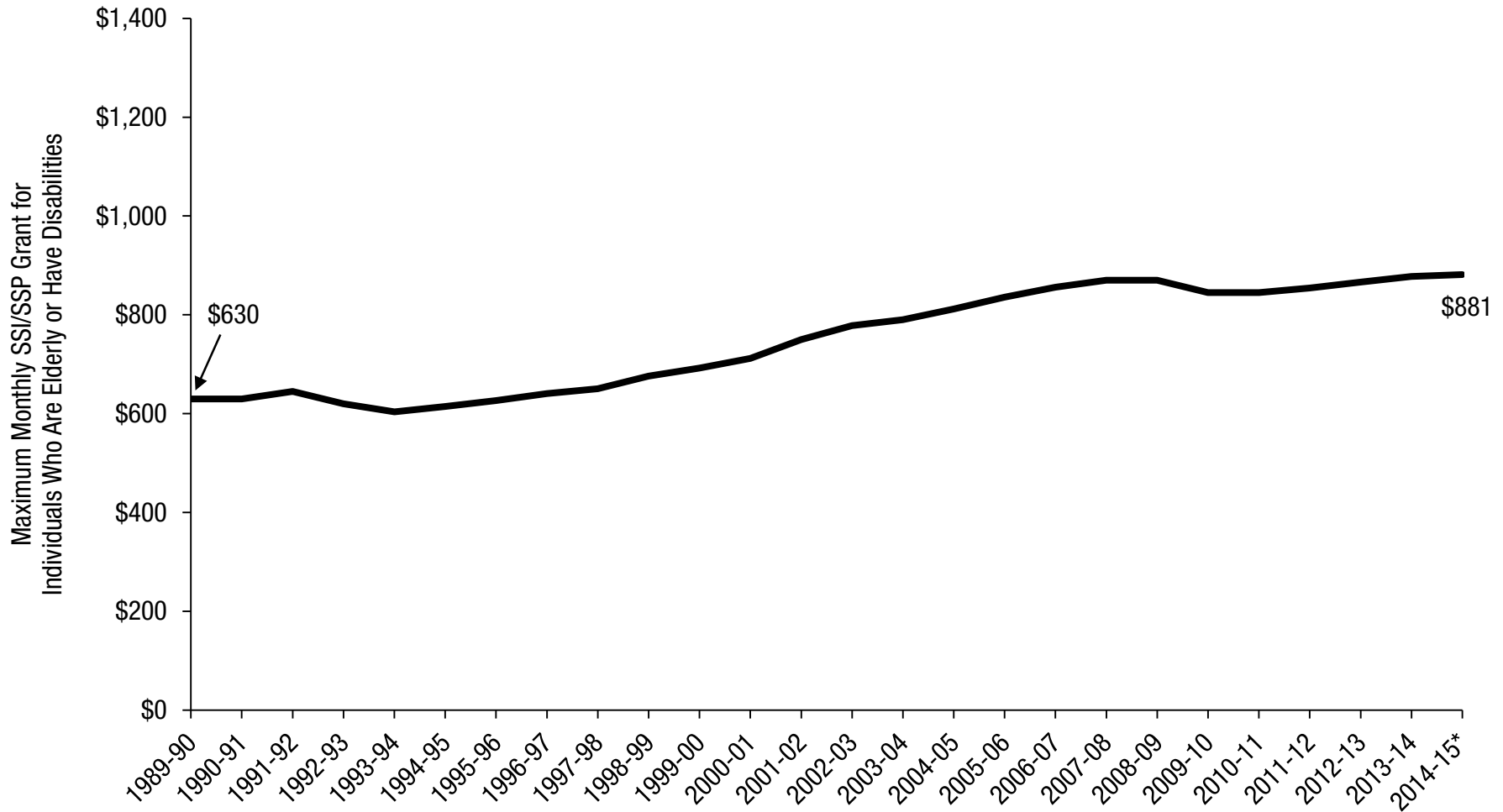


SSI/SSP Grants for Couples Have Been Declining as a Share of the Federal Poverty Line



SSI/SSP Grants Have Lost About One-Third of Their Purchasing Power During the Past 25 Years

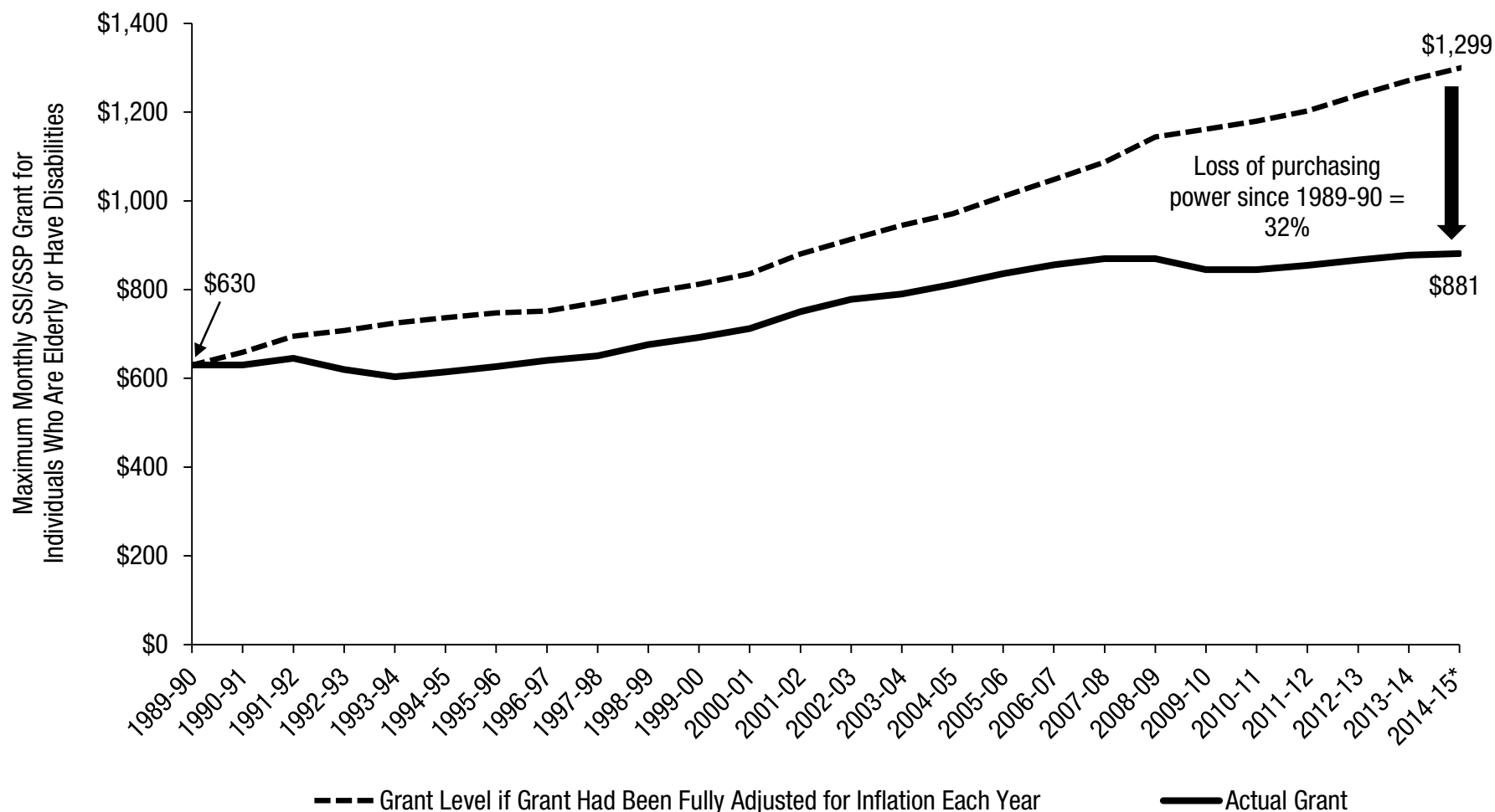
Without Adjusting for Inflation, SSI/SSP Grants for Individuals Are About \$250 Per Month Higher Than in 1989-90



* Reflects a projected 0.5 percent federal cost-of-living adjustment (COLA) to the SSI portion of the grant effective January 1, 2015. The annual state COLA for SSI/SSP grants was eliminated starting in 2010-11.

Source: Department of Social Services

After Adjusting for Inflation, SSI/SSP Grants for Individuals Are About One-Third Lower Than in 1989-90, a Loss of More Than \$400 Per Month

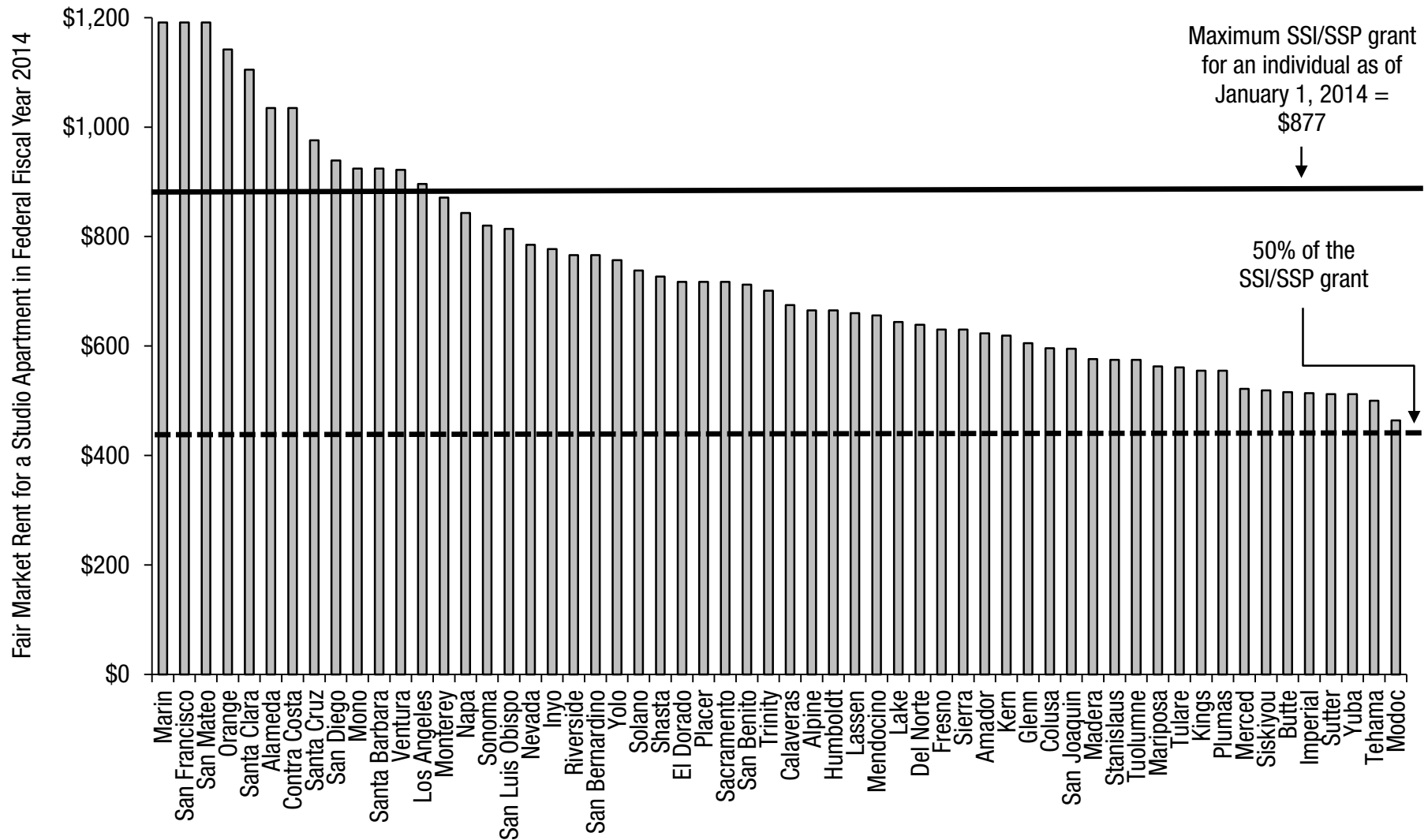


* Reflects a projected 0.5 percent federal cost-of-living adjustment (COLA) to the SSI portion of the grant effective January 1, 2015. The annual state COLA for SSI/SSP grants was eliminated starting in 2010-11.

Source: CBP analysis of Department of Finance and Department of Social Services data

Housing Costs Are a Significant Concern for SSI/SSP Recipients, Even in Counties That Are Considered to Be More Affordable

Studio Apartment Rent Exceeds One-Half of the SSI/SSP Grant in All 58 Counties and Is Higher Than the Entire Grant in 13 Counties



Source: Department of Social Services and US Department of Housing and Urban Development

Boosting SSI/SSP Grants Would Require Changing the State's Budget Priorities

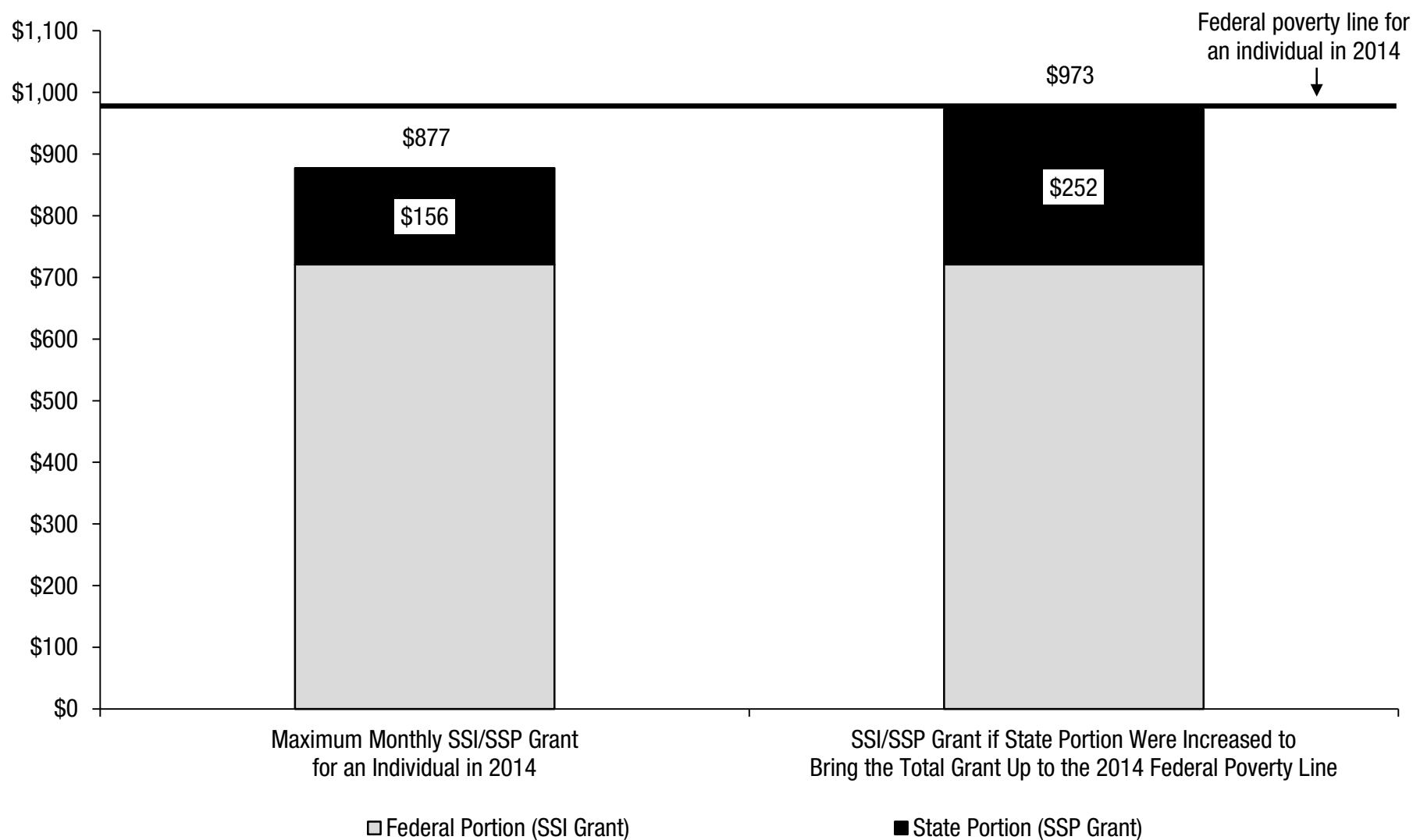
A Legislative Proposal to Restore the Annual State COLA for SSI/SSP Grants Failed in 2014

- As part of the 2014-15 state budget process, the Assembly proposed to restore the state COLA for SSI/SSP grants starting on April 1, 2015. This proposal would have:
 - Boosted the SSP portion of the grant from **\$156 to \$160 for individuals** and from **\$396 to \$405 for couples**.
 - Increased state General Fund costs by **between \$70 million and \$80 million** in 2015-16, according to the Legislative Analyst's Office (LAO).
- This change was not included in the 2014-15 budget.

The Assembly Proposal Was Modest Compared to the Size of the Cuts the State Has Made to SSI/SSP Grants

- The Assembly's proposal would have increased the SSP portion of the grant for an individual by **\$4 per month** starting in April 2015.
- However, the SSP portion of this grant would have to increase by **nearly \$100 per month** in order to bring the total SSI/SSP grant up to the federal poverty line in 2014.

The State's Share of the SSI/SSP Grant Would Have to Increase by Nearly \$100 Per Month to Bring the Total Grant Up to the 2014 Federal Poverty Line



The Cost of the Assembly Proposal Was Modest Compared to the Cost of the State's Film Tax Credit

- Restoring the annual state COLA for SSI/SSP grants would increase state General Fund spending by up to **\$80 million** in 2015-16, according to the LAO.
- In contrast, the state's tax credit for film and television productions, which was recently expanded by AB 1839, will cost the state **\$330 million** in foregone revenues each year from 2015-16 through 2019-20.
 - Research suggests that this type of business tax incentive does little to create jobs and simply provides a windfall for employers.

The Measure of a Good Budget

- A good budget should take a balanced approach that strives for:
 - **Improving outcomes** for individuals, families, and communities.
 - **Investing** in long-term economic growth and broadly shared prosperity.
 - **Paying down debt** and **saving** for a rainy day.

For More Information

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