



California Budget  
& Policy Center

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

SCOTT GRAVES, DIRECTOR OF RESEARCH

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ASSEMBLY HUMAN SERVICES COMMITTEE

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# Key Facts About SSI/SSP Grants

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- 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

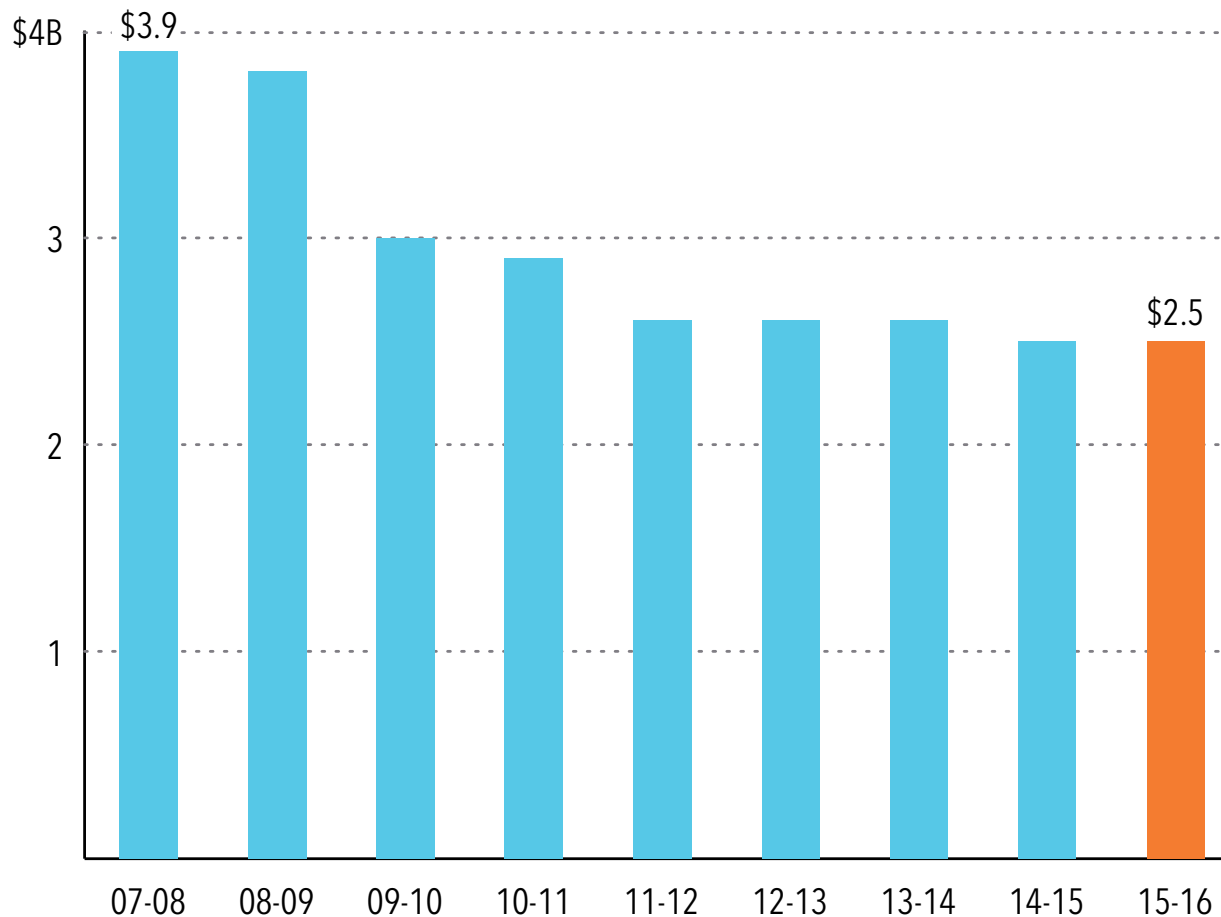
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- Policymakers made several cuts to SSI/SSP grants to help close budget shortfalls that emerged as a result of the Great Recession, which began in 2007. State policymakers:
  - Suspended the state cost-of-living adjustment (COLA) for SSI/SSP grants 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



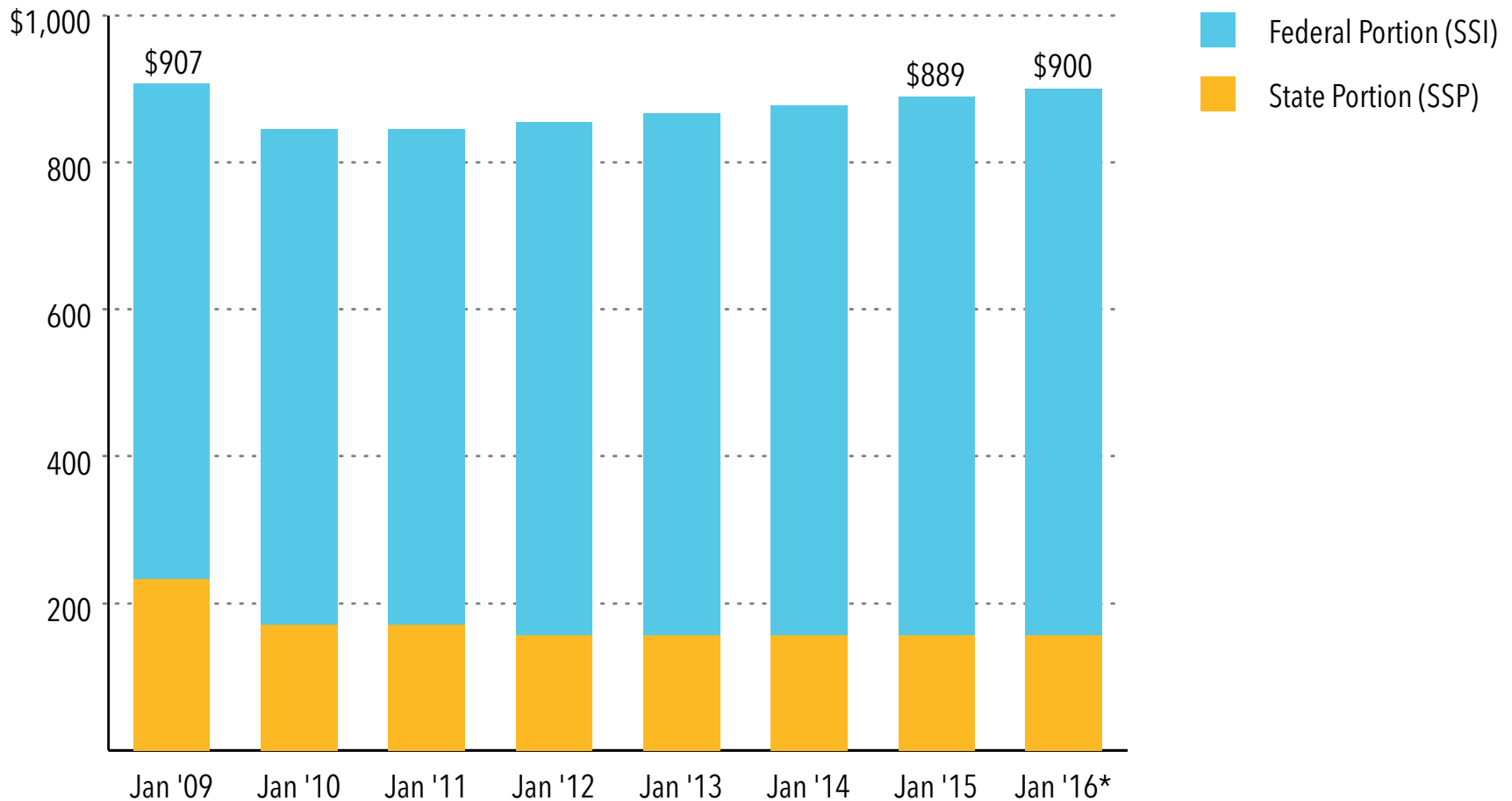
# **Due to state budget cuts, SSI/SSP grants remain below the January 2009 level.**

**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

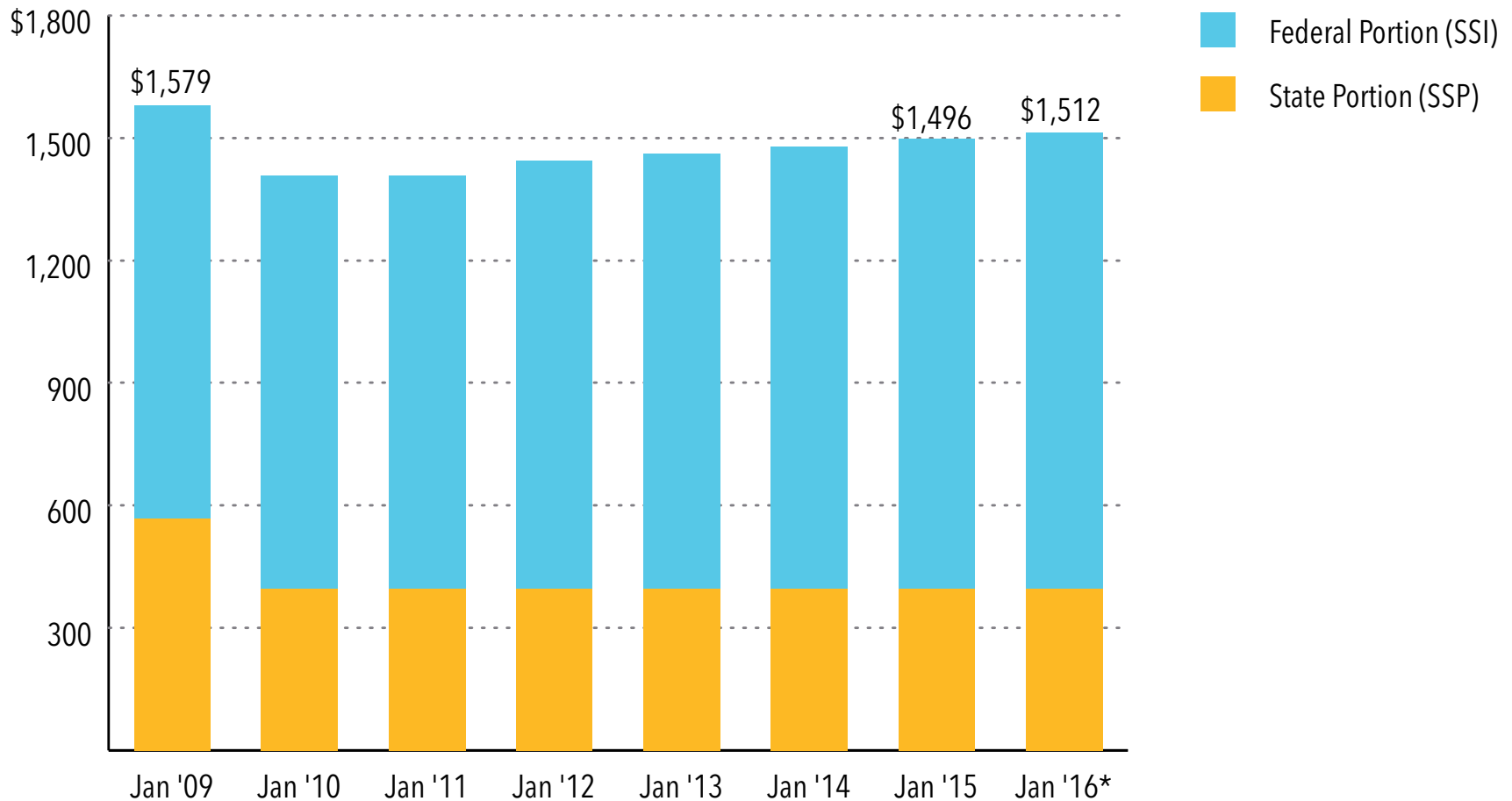


\* Includes a projected 1.5 percent federal cost-of-living adjustment (COLA) to the SSI portion effective January 2016. The annual state COLA was eliminated starting in 2010-11.  
Source: Department of Social Services



# 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





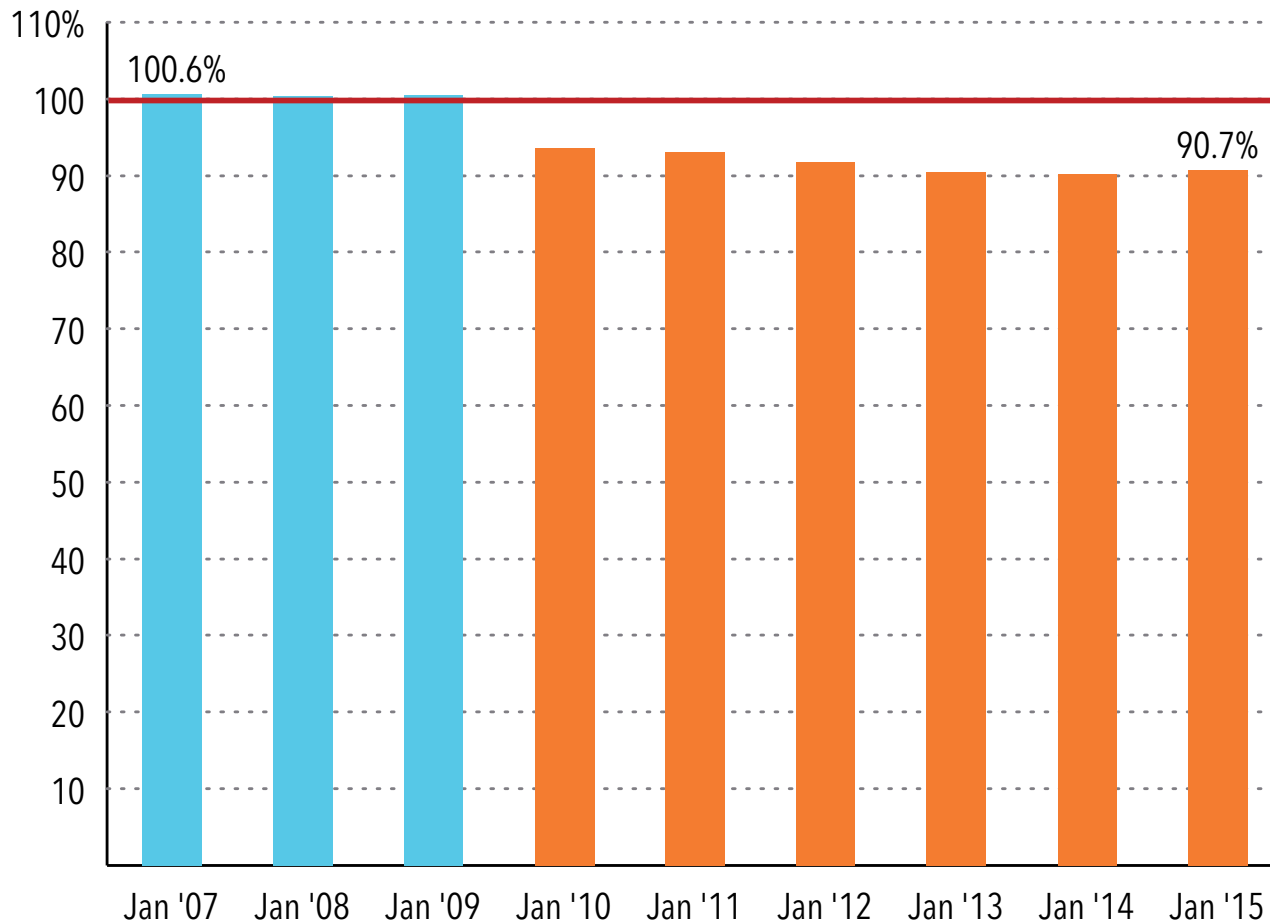
**Due to state budget cuts, SSI/SSP grants have declined as a share of the federal poverty line.**

**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

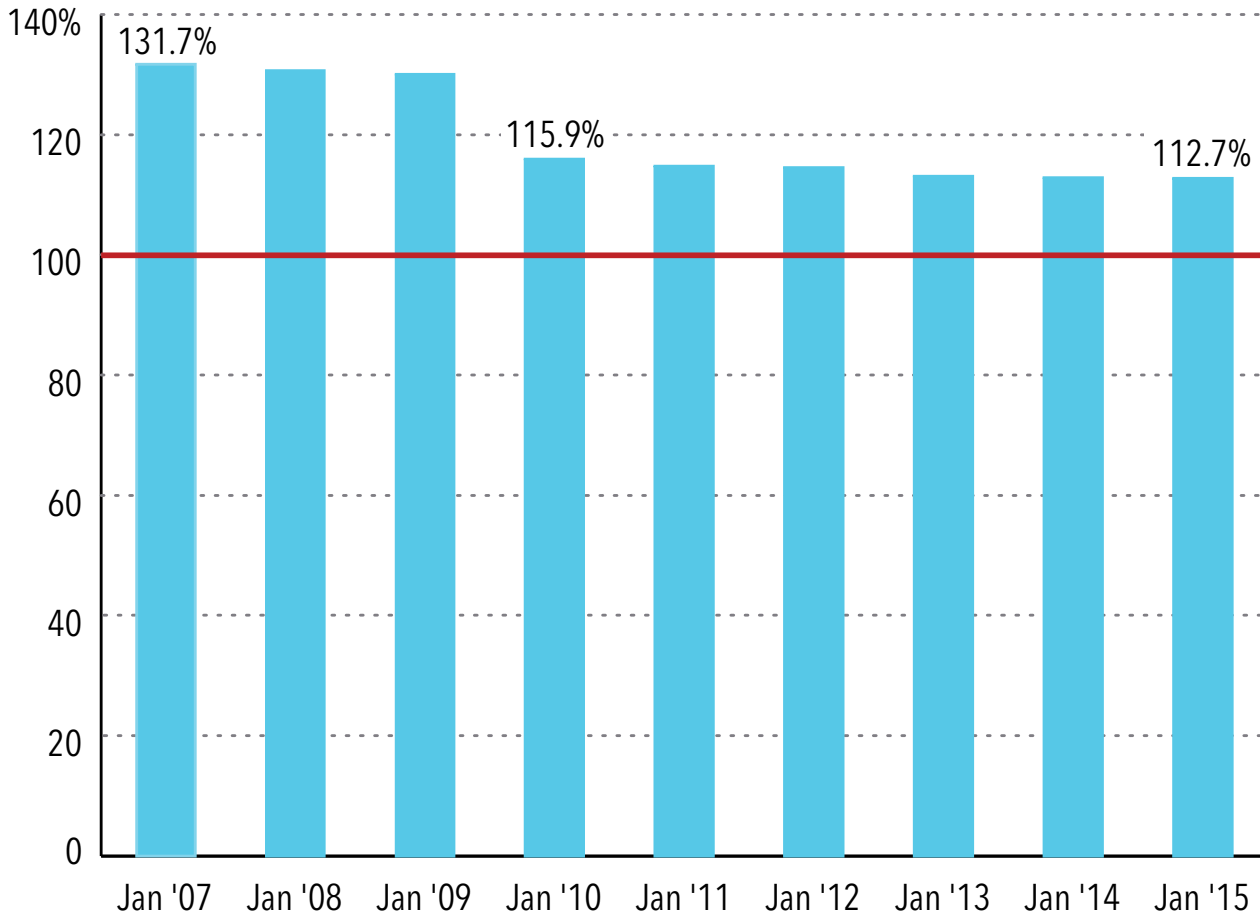


Source: Department of Social Services and US Department of Health and Human Services



# 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



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



# Housing Costs Are a Significant Concern

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- 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.”



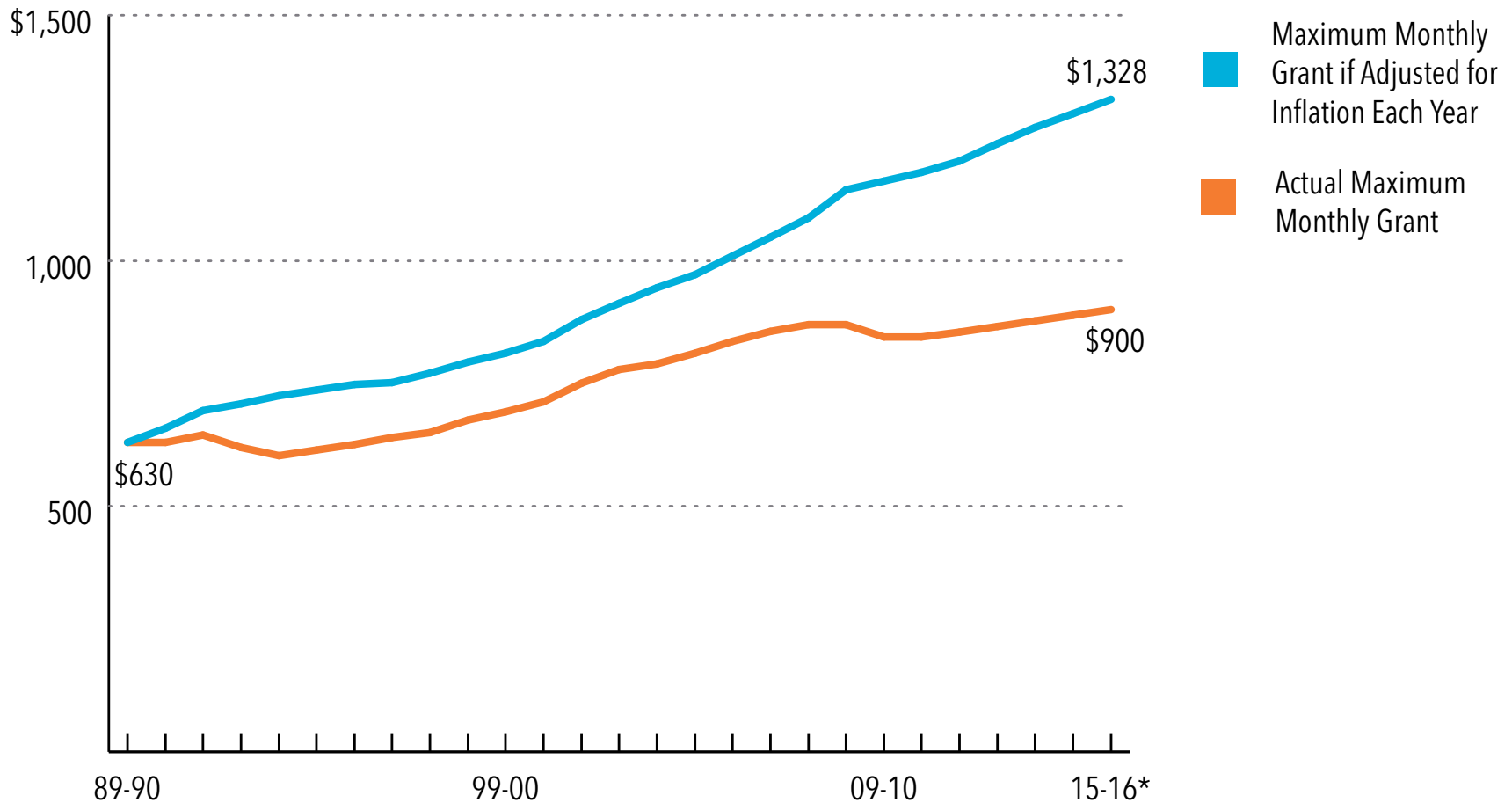
# **The recent state cuts to SSI/SSP grants are part of a longer-term trend.**

**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



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





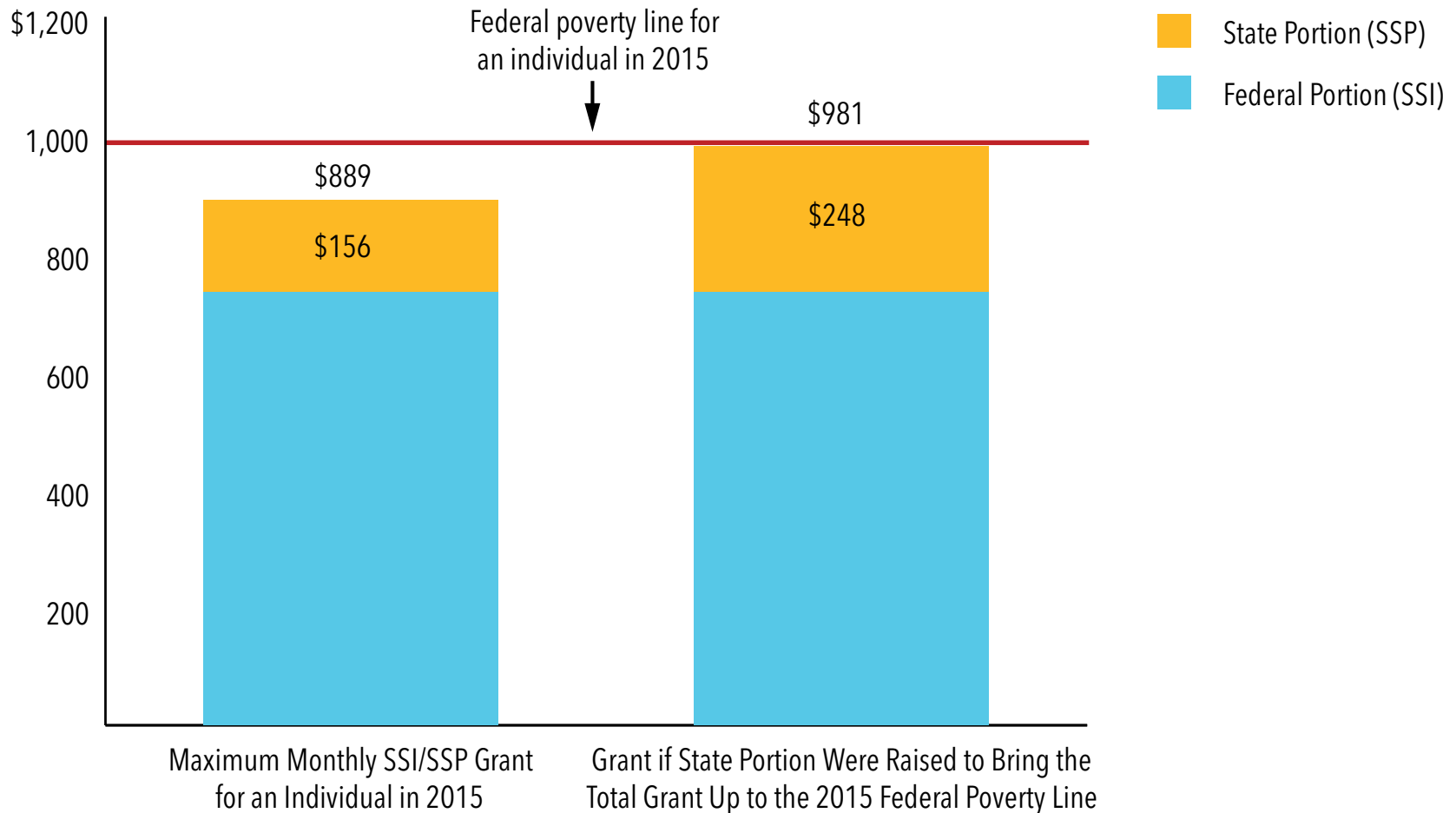
# SSI/SSP: Status Quo or Reinvestment?

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- 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





California Budget  
& Policy Center

1107 9<sup>th</sup> Street, Suite 310  
Sacramento, California 95814  
916.444.0500  
[sgraves@calbudgetcenter.org](mailto:sgraves@calbudgetcenter.org)

**[calbudgetcenter.org](http://calbudgetcenter.org)**