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

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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
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

Federal Portion (SSI) | State Portion (SSP)
---|---
$907 | $889
$889 | $900

* 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

- 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?

- 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

Federal poverty line for an individual in 2015

Maximum Monthly SSI/SSP Grant for an Individual in 2015

- State Portion (SSP): $156
- Federal Portion (SSI): $889

Grant if State Portion Were Raised to Bring the Total Grant Up to the 2015 Federal Poverty Line

- State Portion (SSP): $248
- Federal Portion (SSI): $981

Source: California Budget & Policy Center
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