

**REPORT OF THE  
CHIEF LEGISLATIVE ANALYST**

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DATE: July 23, 2018

TO: Honorable Members of the Rules, Elections & Intergovernmental Relations Committee

FROM: Sharon M. Tso   
Chief Legislative Analyst

Council File No: 18-0002-S73  
Assignment No: 18-06-0567

SUBJECT: Resolution to Support AB 3200 (Kalra – Reyes – Thurmond)

CLA RECOMMENDATION: Adopt Resolution (Ryu - Buscaino) to include in the City's 2017-2018 State Legislative Program, SUPPORT for AB 3200 (Kalra – Reyes – Thurmond) which would reinstate the cost-of-living-adjustment to the Supplemental Security Income and State Supplementary Payment (SSI/SSP) payment schedules.

SUMMARY

The Resolution (Ryu – Buscaino), introduced June 8, 2018, advises that AB 3200 (Kalra – Reyes - Thurmond) would reinstate cost-of-living adjustments (COLA) to State social service aid payments. Supplemental Security Income (SSI) and State Supplementary Payment (SSP) programs provide monetary aid to eligible low income individuals. Individuals who are eligible to receive SSI are automatically eligible to receive SSP from the State. The Resolution further advises that the SSP has not increased at a rate commensurate with the cost of living in California since 2011, and notes that the present maximum grant level for SSI and SSP grants is below the Federal Poverty Level, an amount that is inadequate for the high cost of living in California. Over 200,000 SSI and SSP recipients over the age of 65 currently reside in Los Angeles County.

The Resolution recommends that the City support AB 3200 which would reinstate the cost-of-living-adjustment to SSI/SSP payment schedules.

BACKGROUND

The SSI program provides cash assistance to meet the basic needs of aged and blind individuals and individuals with disabilities. The SSP provides a supplement to assistance given to SSI-eligible recipients. SSI is administered by the Social Security Administration (SSA) and funded by federal funds, whereas SSP is funded by the State General Fund.

The SSA provides an annual COLA to SSI grants based on the Consumer Price Index (CPI). While the federal government has regularly increased its SSI contribution since 2011, the State has frozen or decreased its SSP contribution in recent years. The State COLA was reduced by an amount equivalent to the federal COLA, which generated State savings but also caused the total SSI/SSP grant to remain at the same level despite the federal COLA. Application of the federal COLA allows the SSP portion of the grants to remain at the minimum level allowed under federal law, thereby allowing the State to maintain its federal Medicaid funding.

Prior to 2011, despite being frequently suspended by budget language, a COLA based on the California Necessities Index (CNI) was automatically applied to SSP benefits. In 2011, the “automatic” COLA for SSP recipients was repealed.

The following are the federal COLAs that have been applied to SSI since 2011:

Year	2011	2012	2013	2014	2015	2016	2017
COLA	3.6%	1.7%	1.5%	1.7%	0.0%	0.3%	2.0%

Currently the SSI/SSP maximum monthly payment amount for individuals is \$910.57, which is \$100.95 below the Federal Poverty Level threshold. The SSI/SSP maximum monthly payment amount for married couples is \$1,532.

AB 2300 (Kalra – Reyes – Thurmond) would reinstate the annual COLA to the SSP per the CNI as of January 1, 2019. The provision of this COLA would be subject to an appropriation in the annual State Budget Act. The bill was previously amended to remove the provision of an SSP minimum benefit at 100% of the federal poverty level.

There have been repeated attempts to restore a COLA on SSP in recent years. In 2016, AB 1603 (Assembly Committee on Budget) included a one-time COLA to the SSP on January 1, 2017 that is equal to the CNI of 2.76%. AB 3200 is similar to SB 845 (Committee on Budget and Fiscal Review), the budget bill for FY 2018-19. AB 3200 and SB 845 both provide annual COLAs for SSP payments contingent on the annual Budget Act but with different effective dates.

Support for AB 3200 (Kalra – Reyes - Thurmond) is consistent with City efforts to promote economic stability and provide aid to vulnerable populations.

DEPARTMENTS NOTIFIED

None

BILL STATUS

02/16/18	Introduced
03/12/18	Referred to Committee on Human Services
04/11/18	Approved as amended by Committee on Human Services and referred to Committee on Appropriations
04/12/18	Read second time and amended
04/16/18	Re-referred to Committee on Appropriations
05/25/18	Approved as amended by the Committee on Appropriations
05/25/18	Read second time and amended
05/30/18	Read third time, passed, ordered to Senate
05/31/18	Introduced in Senate
06/13/18	Referred to Committee on Human Services
06/27/18	Approved by Committee on Human Services and referred to Committee on Appropriations with recommendation for placement on Consent Calendar

  
Andy Galan  
Analyst

Attachments: 1. Resolution (Ryu - Buscaino)

RESOLUTION

WHEREAS, any official position of the City of Los Angeles, with respect to legislation, rules, regulations or policies proposed to or pending before a local, state, or federal governmental body or agency must have first been adopted in the form of a Resolution by the City Council with the concurrence of the Mayor; and

WHEREAS, AB 3200 (Kalra – Reyes – Thurmond), introduced on February 16, 2018, would reinstate cost-of-living adjustments to State social service aid payments; and

WHEREAS, the Supplemental Security Income (SSI) and State Supplementary Payment (SSP) provide a monthly cash benefit to eligible low-income individuals and married couples who are aged 65 years or older, blind, or living with disabilities, and who meet certain federal income and resource requirements; and

WHEREAS, individuals and couples who are eligible to receive SSI from the federal government are automatically eligible to receive SSP from the State; and

WHEREAS, since 2011, the SSP has not increased at a rate commensurate with the increasing cost of living in California; and

WHEREAS, the present maximum grant level for individuals receiving SSI/SSP grants is below the Federal Poverty Level, an amount that is inadequate for the high cost of living in many areas of California; and

WHEREAS, there are over 200,000 SSI/SSP recipients over the age of 65 living in Los Angeles County;

NOW, THEREFORE, BE IT RESOLVED, with the concurrence of the Mayor, that by the adoption of this Resolution, the City of Los Angeles hereby includes into its 2017-2018 State Legislative Program SUPPORT for AB 3200 (Kalra – Reyes – Thurmond), which would reinstate cost-of-living adjustments, as measured by the California Necessities Index, to the Supplemental Security Income and State Supplementary Payment (SSI/SSP) payment schedules, and require that the maximum payments for SSI/SSP aid payment be equal to or above the Federal Poverty Level.

PRESENTED BY:



DAVID RYU  
Councilmember, 4<sup>th</sup> District

JUN 08 2018

SECONDED BY:

