

State Supplementation Under Federal SSI Program

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The legislation authorizing the supplemental security income (SSI) program provides for State payments as a supplement to the basic Federal SSI payment to aged, blind, and disabled persons. For former public assistance recipients, State payments are required, if needed, to maintain the earlier income level; for newly eligible persons, the provision of additional State payments is optional.

Most of the States have elected to provide supplementary payments to newly eligible persons as well as to the former public assistance recipients who were transferred to the SSI program. Sixteen States are providing State payments to former public assistance recipients only.

In January 1974, more than 1.8 million persons received State supplementary payments totaling over \$119 million. By June 1974, the number of persons receiving supplementary payments decreased by approximately 60,000 to 1,791,000, but the amount of State payments rose to \$127 million. This article discusses State supplementary payment standards and provides data on numbers of persons receiving State payments and on total and average amounts of State payments for selected months since the SSI program began.

SINCE THE BEGINNING of 1974 the Federal supplemental security income (SSI) program established by the Social Security Amendments of 1972 has been in operation. The program, administered by the Social Security Administration, was created to replace the Federal grants-in-aid for the State assistance programs for needy aged, blind, and disabled adults in the 50 States and the District of Columbia. Subsequent amendments (P.L. 93-66 and P.L. 93-233) authorized the States to supplement the basic Federal SSI payment and required such supplementation in certain situations.

Under the public assistance programs existing before SSI began operations, the Federal Gov-

ernment provided grants-in-aid on a matching basis to each State administering its own program within the framework of conditions set down by the Social Security Act and Federal regulations. The States had wide latitude in determining who was eligible and the amount of assistance that eligible persons could receive. Each State defined its own minimum standard of living (known as a "needs standard") against which an individual's income and resources were measured to determine whether financial need existed. Any individual with income below the State needs standard—and who met other specified requirements—was eligible for some assistance.

The State was not required, however, to pay the full amount of the needs standard to a recipient with no income nor to pay the entire difference between the standard and countable income for recipients with some income. Under these programs, a State could reduce the payment to an eligible recipient even though the established needs standard theoretically set the minimum amount for an adequate standard of living in that State. In some cases, the State's fiscal inability to meet its own established minimum living standard was reflected in the reductions it imposed on payment levels. In other instances, the reductions reflected legislative limits on public assistance expenditures.

Wide variation existed among States (and sometimes within a State) in such areas as administration, eligibility requirements, assistance payment levels, and State and local government budgets for welfare. Payments varied virtually from case to case, primarily because of complex payment calculation methods and allowances for rent and special needs.

The SSI program represents a flat grant payment approach to meet the minimum needs of those eligible under the program. From the outset, however, it was apparent that there would be additional financial needs—differing among and within the States—for special situations and for emergencies, along with the necessity for maintaining previous payment levels.

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Congress believed that many of the complexities and differences in State welfare programs could be minimized in a Federal system, which they felt could be more economical and produce a higher degree of equity for the needy aged, blind, and disabled.

In January 1974, more than 1.8 million persons received supplementary payments under federally administered and State-administered State supplementation programs (table 1). State supplementary payments totaled more than \$119 million (table 2).

TABLE 1.—Estimated number of persons receiving federally administered and State-administered State supplementary payments, by State, selected months, 1974

State	January 1974	March 1974	June 1974
Total all persons.....	1,851,500	1,743,200	1,791,800
Federally administered programs.....	1,480,400	1,409,200	1,457,300
State-administered programs.....	371,100	334,000	334,500
Alabama ¹	54,700	44,600	40,100
Alaska ¹	3,800	3,500	3,400
Arizona ¹	3,100	2,100	1,600
Arkansas.....	32,800	18,900	10,600
California.....	504,900	510,500	538,300
Colorado ¹	39,800	35,100	47,900
Connecticut ¹	19,500	11,700	12,300
Delaware.....	5,100	3,700	(²)
District of Columbia.....	5,700	4,000	3,000
Florida.....	39,600	13,000	8,400
Georgia.....	25,600	19,400	14,300
Hawaii.....	6,200	5,500	6,800
Idaho ¹	3,800	3,600	3,500
Illinois.....	54,400	44,500	38,100
Indiana.....	7,300	5,600	5,100
Iowa.....	13,300	3,000	2,800
Kansas.....	3,900	2,500	2,200
Kentucky ¹	18,300	10,900	11,400
Louisiana.....	58,100	38,200	27,500
Maine.....	12,900	9,800	8,800
Maryland.....	6,000	4,800	4,200
Massachusetts.....	89,600	95,700	104,600
Michigan.....	86,900	90,200	95,000
Minnesota.....	10,900	8,500	8,100
Mississippi ¹	20,100	18,900	17,600
Missouri ¹	76,400	77,200	78,300
Montana.....	2,100	1,500	700
Nebraska ¹	6,100	6,200	5,900
Nevada.....	3,100	3,100	3,200
New Hampshire ¹	5,900	3,400	3,300
New Jersey.....	36,200	38,100	47,100
New Mexico ¹	(³)	(³)	(³)
New York.....	280,600	282,800	308,600
North Carolina ¹	13,100	12,000	11,500
North Dakota ¹	900	1,000	900
Ohio.....	18,400	9,900	7,300
Oklahoma ¹	73,500	73,000	68,400
Oregon ¹	18,300	18,400	17,900
Pennsylvania.....	84,000	95,900	105,800
Rhode Island.....	8,800	10,100	11,600
South Carolina.....	3,000	2,100	1,200
South Dakota.....	1,700	1,300	1,200
Tennessee.....	6,500	6,400	3,900
Texas ⁴	1,400	1,100	900
Utah.....	5,400	5,000	4,800
Vermont ¹	8,400	7,500	5,800
Virginia ¹	43,700	44,600	44,700
Washington.....	(³)	(³)	(³)
West Virginia ¹	27,000	33,600	42,600
Wisconsin.....	1,100	900	700
Wyoming.....			

¹ State-administered program.

² Data not available

³ Less than 100

⁴ Does not provide supplementary payments because of a State constitutional barrier.

In the first month of SSI operations, the average amount of payments for persons whose supplementary payments were federally administered was \$70.93; the June average was \$79.16 (table 3). For persons with State-administered payments, the average amount in January 1974 was \$40.17; the average June supplement was \$35.63. The Social Security Administration made payments

TABLE 2.—Amount of State supplementary payments under federally administered and State-administered programs, by State, selected months, 1974

[In thousands]

State	January 1974	March 1974	June 1974
Total payments.....	\$119,895	\$115,756	\$127,284
Federally administered programs.....	104,989	103,670	115,366
State-administered programs.....	14,906	12,086	11,918
Alabama ¹	1,779	1,311	1,152
Alaska ¹	533	285	267
Arizona ¹	204	181	143
Arkansas.....	499	296	296
California.....	54,394	54,057	57,320
Colorado ¹	1,097	1,134	1,035
Connecticut ¹	1,373	747	758
Delaware.....	173	131	146
District of Columbia.....	200	182	114
Florida.....	600	554	411
Georgia.....	776	683	532
Hawaii.....	429	402	585
Idaho ¹	115	167	102
Illinois.....	2,104	1,751	1,710
Indiana.....	243	217	197
Iowa.....	337	143	148
Kansas.....	141	125	127
Kentucky ¹	904	607	633
Louisiana.....	1,233	925	872
Maine.....	600	575	524
Maryland.....	278	267	268
Massachusetts.....	8,076	8,605	12,944
Michigan.....	4,050	3,715	3,940
Minnesota.....	579	523	548
Mississippi ¹	290	284	220
Missouri ¹	3,622	3,665	3,725
Montana.....	84	64	54
Nebraska ¹	297	290	248
Nevada.....	153	195	174
New Hampshire ¹	278	181	169
New Jersey.....	1,658	1,664	2,243
New Mexico ¹	(²)	(²)	(²)
New York.....	20,883	21,328	22,571
North Carolina ¹	1,209	863	1,001
North Dakota ¹	28	23	24
Ohio.....	586	431	496
Oklahoma ¹	1,417	1,288	1,419
Oregon ¹	1,021	533	522
Pennsylvania.....	2,261	1,661	2,069
Rhode Island.....	453	435	535
South Carolina.....	77	51	70
South Dakota.....	71	60	61
Tennessee.....	188	167	176
Texas ⁴		5	
Utah.....	65	67	88
Vermont ¹	348	270	230
Virginia ¹	391	322	277
Washington.....	1,463	1,383	1,431
West Virginia ¹	(³)	(³)	(³)
Wisconsin.....	2,305	3,002	3,804
Wyoming.....	23	15	17
Unknown.....		1	11

¹ State-administered program

² Includes amounts under the federally administered program; these payments may reflect in part temporary residence changes

³ Amount of State payment less than \$500

⁴ Does not provide supplementary payments because of a State constitutional barrier.

⁵ Data not available.

Note Federally administered supplementary payments shown for March represent amounts payable on April 1 to persons eligible in March; amounts shown for June represent amounts payable on July 1 to persons eligible in June.

to 1.5 million persons that amounted to \$105 million, in behalf of the 30 States and the District of Columbia that elected Federal administration of either their mandatory or their mandatory and optional supplementary payments. The remaining 18 States made payments to 371,000 persons that totaled almost \$5 million.

In June, three of the States (California, Massachusetts, and New York) electing Federal administration accounted for 53 percent of all persons receiving supplementary payments—up from 48 percent in January. The Social Security Adminis-

tration made supplementary payments in behalf of these three States of more than \$83 million (73 percent of all supplementary payments). California alone accounted for 30 percent of all persons receiving State supplements and 45 percent of such payments in June.

During the period January–June 1974, all of the States that provided only mandatory supplementation showed declines in the number of persons receiving supplementary payments. As would be expected, given the nature of mandatory supplementation, a major part of this reduction resulted from the \$10 increase in the basic Federal SSI payment, effective for January but not paid until February. For all those receiving a January supplementary payment of \$10 or less, the cases were closed in February. The increase in OASDI benefits beginning with the April checks resulted in additional case closings. Because of the discontinuance of the cases for those receiving small supplementary payments, the average amount of payments has risen. The July increase in the basic Federal SSI payment and the second portion of the 1974 rise in OASDI benefits, also payable in July, were expected to further reduce the number of persons receiving State supplementary payments in these States with mandatory supplementation only.

On the other hand, the States (California, Massachusetts, New York, and Wisconsin) with high payments and broad coverage under their optional supplementation programs have shown considerable increases in their caseloads in the period January–June 1974.

FEDERAL SSI PAYMENT STANDARDS

With the establishment of the SSI program, a direct commitment was made by the Federal Government to needy aged, blind, and disabled persons through the provision of cash payments to eligible individuals and couples. In the first 6 months of 1974, the maximum monthly Federal payment was \$140 for an individual living alone, with no other income; the amount was \$210 for a couple living in their own household with both husband and wife eligible. In July 1974, these standards rose to \$146 and \$219, respectively. Payment standards based on other living arrange-

TABLE 3.—Average amount of payments for persons receiving federally administered and State-administered State supplementary payments, by State, selected months, 1974

State	January 1974	March 1974	June 1974
Total.....	\$64 76	\$66 40	\$71 04
Federally administered programs.....	70 93	73 57	79 16
State-administered programs.....	40 17	36 19	35 63
Alabama ¹	32 49	29 37	28 71
Alaska ¹	140 22	81 62	77 57
Arizona ¹	66 50	85 52	87 42
Arkansas.....	15 21	15 66	27 92
California.....	107 81	105 89	106 48
Colorado ¹	27 56	32 36	21 69
Connecticut ¹	70 50	63 78	61 58
Delaware.....	33 84	35 41	(²)
District of Columbia.....	35 09	40 50	38 00
Florida.....	15 16	42 62	48 93
Georgia.....	30 47	35 21	37 20
Hawaii.....	69 06	73 09	86 03
Idaho ¹	30 20	29 10	29 51
Illinois.....	38 68	39 35	44 88
Indiana.....	33 28	38 75	38 63
Iowa.....	25 45	47 67	52 86
Kansas.....	36 53	50 00	57 73
Kentucky ¹	49 49	55 58	55 64
Louisiana.....	21 23	24 21	31 71
Maine.....	46 56	58 67	59 55
Maryland.....	46 73	55 63	63 81
Massachusetts.....	90 15	89 92	123 75
Michigan.....	46 63	41 19	41 47
Minnesota.....	53 27	61 53	67 65
Mississippi ¹	14 39	15 00	12 52
Missouri ¹	47 42	47 47	47 59
Montana.....	40 05	42 67	77 14
Nebraska ¹	48 74	46 63	42 04
Nevada.....	49 46	62 90	54 38
New Hampshire ¹	47 14	53 89	47 52
New Jersey.....	45 84	43 67	47 62
New Mexico ¹	(³)	(³)	(³)
New York.....	74 43	75 42	73 14
North Carolina ¹	92 59	72 11	87 37
North Dakota ¹	29 84	29 33	28 31
Ohio.....	31 85	43 54	66 58
Oklahoma ¹	19 29	17 61	20 74
Oregon ¹	58 72	28 83	29 22
Pennsylvania.....	26 92	17 32	27 97
Rhode Island.....	51 51	43 07	46 12
South Carolina.....	25 80	24 29	58 33
South Dakota.....	41 18	46 15	50 83
Tennessee.....	28 74	25 89	45 13
Texas ⁴			
Utah.....	45 70	60 91	97 78
Vermont ¹	64 37	54 47	48 30
Virginia ¹	46 80	42 98	48 86
Washington.....	33 52	31 01	32 01
West Virginia ¹	(²)	(²)	(²)
Wisconsin.....	85 31	89 35	89 30
Wyoming.....	21 15	16 67	24 29

¹ State-administered program.

² Data not available.

³ Average not computed on base of less than \$500.

⁴ Does not provide supplementary payments because of a State constitutional barrier.

ments are lower. If the individual or couple is living in another's household and receiving support and maintenance there, the standard is reduced by one-third.

The eligibility requirements and payment standards for institutionalized persons depend on the type of institution. Persons in public or private institutions who are receiving SSI payments and getting more than 50 percent of the cost of their care from the Medicaid program under title XIX of the Social Security Act receive no more than \$25 a month. In private institutions, eligible persons whose care is not met from Medicaid funds can receive the standard payment. In public institutions, those whose main support is not Medicaid are ineligible for SSI payments.

STATE PAYMENT STANDARDS

Among the States, the State payment standards are not necessarily comparable. One problem is the unavailability of data on what items are included in the individual State's standard for "basic" needs. All States recognize food, clothing, shelter, and fuel and utilities as basic consumption items and have included them in the State standard.

Although some States limit their need standard to these basic items, many include additional items such as transportation, telephone, household supplies, and medicine chest supplies. Generally, the States that exclude these items in their basic needs standards establish payment allowances for such items under "special" needs, with their costs added to the calculated payment for basic needs.

Moreover, when some States are unable to meet need as determined under their standards, they reduce the amount of assistance payable to each eligible person to a level below the established standard. Some States set maximums that limit the amount of assistance payable to persons whose determined need exceeds that maximum. Other States apply a percentage reduction factor to the budget deficit or to the payment standard. Some States use a combination of these methods to limit the amount actually paid to eligible persons. Notwithstanding these comparability limitations, the data currently available can provide

some measure of at least the minimum State payment eligible persons can receive.

PROVISIONS FOR STATE SUPPLEMENTATION

The basic Federal SSI payments do not, nor were they intended to, take into account the variations among the States. The SSI legislation provides for supplementation of the basic Federal payment by the States. These State payments are required by law to maintain the income levels of former assistance recipients now in the Federal program ("mandatory" minimum State supplementation) and/or they may be provided at State option to raise the payment levels of former recipients or the newly eligible ("optional" State supplementation). Additional assistance for special and emergency needs also may be provided at State option.

Mandatory State Supplementation

Public Law 93-66, enacted July 19, 1973, added an element to the SSI program that was not contained in the original law. The 1973 amendments guarantee to those aged, blind, or disabled persons transferred from State to Federal rolls that their disposable income will not be lower than the level set in the States as of December 1973. To the extent that the State assistance payment in December 1973 took into consideration the existence of "special" needs or circumstances (laundry, personal care, housekeeping and attendant care, special diets, transportation, essential persons, etc.) the guaranteed or protected level may be lowered as these needs are reduced or eliminated.

The protection offered under mandatory State supplementation cannot be less than the State minimum. If the State provides optional supplementation that would mean a larger payment (with such items as the recipient's assistance category, living arrangement, and income taken into account), the larger payment is made. The protection afforded by mandatory State supplementation remains, however, and is to be considered in future payment determinations. An individual's protection under this provision ceases only when he (1) dies, (2) ceases to be blind or

disabled, or (3) ceases to be a resident of the State (but is again available if he returns to and becomes a resident of that State).

Implementation of the mandatory supplementation provision was made a condition for obtaining Federal funds for the State Medicaid programs. A State is not bound by this requirement if its constitution contains provisions or limitations that prevent compliance. (Texas is the only State whose constitution prevents compliance.)

Sixteen States elected mandatory supplementation only. In 10 of these States (Florida, Georgia, Louisiana, Maryland, Mississippi, New Mexico, Ohio, Tennessee, West Virginia, and Wyoming), payment standards for basic needs are below the Federal payment standards for all eligible individuals and couples with independent living arrangements and no countable income. For most former assistance recipients, therefore, the Federal SSI payment at least equals and may exceed the former assistance payment. Mandatory State supplements are used to maintain the payment level of individuals and couples whose special needs resulted in a December 1973 assistance payment that was higher than the current Federal payment. The newly eligible receive only the Federal payment; for most of them the amount will be higher than the assistance payment they would have received under the former State programs, excluding allowance for special needs.

Four of the 16 States (Arkansas, Indiana, Utah, and Virginia) have higher payment levels than the SSI payment standard for one or more of the specified types of individuals and couples (table 4). In these States, the newly eligible receive only a Federal payment that is less than the combined Federal-State payments to those transferred from the State assistance program.

In South Dakota, the payment standards for basic needs are above the Federal standards for all eligible individuals and couples with independent living arrangements and no countable income. All the former assistance recipients living alone and receiving a Federal SSI payment therefore also receive a State supplementary payment. The newly eligible will receive the Federal SSI payment only and therefore receive less than those transferred from the former assistance programs.

TABLE 4.—States with mandatory State supplementation only: State supplementary payment amounts for "basic" needs to recipients with no countable income in independent living arrangements (effective July 1, 1974)

State ¹	Aged		Blind		Disabled	
	Individual	Couple	Individual	Couple	Individual	Couple
Arkansas.....	(²)	\$10	(²)	\$10	(²)	\$10
Indiana.....	(²)	(²)	(²)	69	(²)	(²)
Kansas ³	\$57	23	\$57	23	\$57	23
South Dakota.....	44	11	44	11	44	11
Utah.....	(²)	(²)	(²)	43	(²)	(²)
Virginia.....	6	(²)	6	(²)	6	(²)

¹ Excludes 10 States (Florida, Georgia, Louisiana, Maryland, Mississippi, New Mexico, Ohio, Tennessee, West Virginia, and Wyoming) for which the Federal base payment to aged, blind, and disabled individuals and couples with no countable income in independent living arrangements exceeds the State payment standard for basic needs to all such persons.

² Federal base payment exceeds State payment standard.

³ State has a variable rent allowance; amount shown reflects highest amount paid for basic needs.

In Kansas, only some of the former assistance recipients (individuals and couples) with independent living arrangements and no countable income receive both a State supplement and the Federal payment. This difference in treatment results from the variations, with county of residence, in the amount included in the State standard for rent. In most of the counties, because of the low amounts included for rent, the payment standard is lower than the Federal standard. In such counties, those with independent living arrangements and no countable income who had been assistance recipients get only the Federal payment, which is higher than the amount received under the old programs. The newly eligible also receive only the Federal payment, in an amount higher than what would have been received in the assistance programs. In the Kansas counties with the highest rent allowance, the Federal payment is supplemented. In these counties, with standards higher than the Federal standards, the payment for the newly eligible is less than the assistance payment would have been.

Optional State Supplementation

Any State or local subdivision may at its option provide, in addition to the mandatory supplementation, a payment supplementary to the Federal SSI payment for aged, blind, or disabled individuals or couples. The required mandatory supplementary payments may be made under the State's optional program.

Thirty-three States and the District of Columbia have optional supplementation programs:

Alabama	Missouri
Alaska	Montana ²
Arizona ¹	Nebraska
California	Nevada
Colorado	New Hampshire
Connecticut	New Jersey
Delaware ³	New York
District of Columbia	North Carolina
Hawaii	North Dakota ⁴
Idaho	Oklahoma
Illinois	Oregon
Iowa	Pennsylvania
Kentucky	Rhode Island
Maine ²	South Carolina ²
Massachusetts	Vermont
Michigan	Washington
Minnesota ²	Wisconsin

¹The State has no Medicaid program and is thus not required to have mandatory supplementation, but it has been making payments to persons transferred to the Federal rolls and has enacted legislation for mandatory and optional supplementation programs

²Effective July 1, 1974.

³Effective April 1, 1974; administered by the counties

⁴Program is optional with the counties; as of June 1974, 32 of the 53 county welfare boards had stated their intent to implement the optional county supplementation program.

Data on Arizona's State payment standards are not yet available. In 21 States the State payment standards are above the Federal payment for all eligible groups of individuals and couples with independent living arrangements and no countable income (table 5). In these States, all those eligible for Federal payments will also be eligible for State supplementation.

In seven States,¹ (Alabama, Delaware, Illinois, Iowa, Missouri, Nevada, and South Carolina) the State payments are above the Federal standards only for some of the eligible individuals or groups. Except in Delaware (where the State supplementary payments are made to persons with this living arrangement transferred from the public assistance programs), the newly eligible in the categories specified qualify for both a Federal SSI payment and a State supplementary payment or, if income is above the Federal payment standard, only for a State supplementary payment. The newly eligible not in the groups specified will be eligible for the Federal payment only.

In four States (Kentucky, Montana, North Carolina, and North Dakota) and the District of

¹The number includes Nevada, which had no aid to the permanently and totally disabled program and makes supplementary payments only to the aged and blind.

TABLE 5—States with mandatory and optional State supplementation: State supplementary payment amounts for "basic" needs to recipients with no countable income in independent living arrangements (effective July 1, 1974)

State ¹	Aged		Blind		Disabled	
	Individual	Couple	Individual	Couple	Individual	Couple
Alabama.....	(²)	\$11	(²)	\$31	(²)	(²)
Alaska ²	\$104	131	\$104	131	\$104	\$131
California.....	89	221	119	311	89	221
Colorado.....	19	111	9	91	9	91
Connecticut.....	92	67	92	67	92	67
Delaware ⁴	4	29	4	29	(²)	4
Hawaii.....	27	41	27	41	27	41
Idaho.....	54	30	54	30	54	30
Illinois.....	29	(²)	29	(²)	29	(²)
Iowa.....	(²)	(²)	18	36	(²)	(²)
Maine.....	10	15	10	15	10	15
Massachusetts.....	123	191	146	366	113	175
Michigan.....	14	21	14	21	14	21
Minnesota.....	32	39	32	39	32	39
Missouri.....	(²)	(²)	(²)	10	(²)	(²)
Nevada.....	39	79	61	211	(²)	(²)
Nebraska ³	67	70	67	70	67	70
New Hampshire ⁴	27	9	27	9	27	9
New Jersey.....	36	31	36	31	36	31
New York.....	61	76	61	76	61	76
Oklahoma.....	15	30	15	30	15	30
Oregon.....	17	17	37	29	17	17
Pennsylvania.....	20	30	20	30	20	30
Rhode Island.....	37	68	37	68	37	68
South Carolina ⁴	(¹)	(¹)	(¹)	1	(¹)	(¹)
Vermont ²	49	61	49	61	49	61
Washington ³	30	33	30	33	30	33
Wisconsin.....	70	110	70	110	70	110

¹Excludes 3 States (Kentucky, Montana, and North Carolina) and the District of Columbia whose optional programs are limited to payments for persons requiring out-of-home care such as adult foster care, domiciliary care, or personal care. Also excludes Arizona and North Dakota for which data on payment standards under optional State supplementation are not available.

²Federal base payment exceeds State payment standard.

³State has variable rent or shelter allowance, amount shown represents highest amount paid for basic needs.

⁴Amounts shown represent supplementary payments for persons transferred from the former public assistance programs only; newly eligible persons will receive optional State supplementary payments only if they are in adult foster care (Delaware) or boarding homes (South Carolina).

⁵Not applicable, State does not have a disabled program

⁶Amount shown represents supplementary amounts for persons transferred from the former public assistance programs, newly eligible persons receive different supplementary payment amounts—\$24 for individuals, \$16 for couples.

Columbia the State payment standards are below the Federal payment for all eligible groups of individuals and couples living independently. In these four jurisdictions, optional supplementation is limited to individuals with special and emergency needs and to individuals with supervised living arrangements such as foster-care homes, personal-care facilities, and domiciliary-care homes.

ADMINISTRATION OF STATE SUPPLEMENTATION

States may elect to (1) administer these supplementary payment programs, (2) have them administered by the Social Security Administration, or (3) administer the optional supplements

themselves and have the Social Security Administration administer the mandatory supplements.

If a State elects Federal administration of its optional supplements, the mandatory supplements must also be federally administered unless the State can provide sufficient justification for exemption. No State has chosen this combination yet.

Mandatory Supplementation

State-administered.—Under State administration, the State absorbs the costs of providing the supplements and disbursing checks without Federal financial participation. The State is not protected from increased State and local expenditures resulting from increased caseloads. Sixteen States have elected to administer their mandatory supplementation program.²

Federally administered.—If a State elects Federal administration of the mandatory supplements, the Social Security Administration will pay the Federal and State amounts together, maintain the records, and limit the amount of State liability for increased expenditures through the “hold harmless” provision in the law.³

Thirty-three of the States and the District of Columbia have elected Federal administration of their mandatory supplementation program: Arizona (effective July 1, 1974), Arkansas, California, Delaware, District of Columbia, Florida, Georgia, Hawaii, Illinois, Indiana, Iowa, Kansas, Louisiana, Maine, Maryland, Massachusetts, Michigan, Minnesota, Mississippi (effective July 1, 1974), Montana, Nevada, New Jersey, New York, Ohio, Pennsylvania, Rhode Island, South Carolina, South Dakota, Tennessee, Utah, Vermont (effective July 1, 1974), Washington, Wisconsin, and Wyoming.

² Alabama, Alaska, Colorado, Connecticut, Idaho, Kentucky, Missouri, Nebraska, New Hampshire, New Mexico, North Carolina, North Dakota, Oklahoma, Oregon, Virginia, and West Virginia.

³ Under section 401 of the Social Security Act Amendments of 1972, the Federal Government guarantees that a State's fiscal liability will not exceed the State's calendar year 1972 expenditures for aid to the aged, blind, and disabled—to the extent that the supplementary amount does not result in payments greater than the State's “adjusted payment level.”

Optional Supplementation

State-administered.—A State that administers its optional supplementary program may establish its own criteria for determining eligibility requirements and the amount of payments. Optional supplementation can be made to a selected group of recipients within a category (domiciliary-care cases only, for example) or to a selected category (blind individuals); it can be limited to former assistance recipients or extended to the newly eligible. Seventeen States are administering their optional programs.⁴

Federally administered.—A State that elects Federal administration of its optional supplementary program must enter into an agreement with the Secretary of Health, Education, and Welfare. The agreement specifies the eligibility requirements and payment amounts. Within limits prescribed by the Secretary, a State may establish variations in payment levels between geographic areas and for different living arrangements.⁵

To permit the Social Security Administration to establish a single-payment system and eliminate dual recipient contact, the State that elects Federal administration of its optional supplements must agree to Federal administration of its mandatory supplements (unless the State can justify exemption from this requirement).

Sixteen States and the District of Columbia have chosen Federal administration of their optional supplementary program.⁶ Many of these States have higher payment standards than those

⁴ Alabama, Alaska, Arizona (effective July 1, 1974), Colorado, Connecticut, Idaho, Illinois (effective March 1, 1974), Kentucky, Minnesota (effective April 1, 1974), Missouri, Nebraska, New Hampshire, North Carolina, North Dakota (optional with county welfare boards), Oklahoma, Oregon, and South Carolina (effective July 1, 1974).

⁵ The law permits the State to vary payment levels for each eligible group (aged, blind, and disabled) to account for different living costs in as many as three geographic areas. The State may also establish up to five different payment levels for persons with different living arrangements—living alone, living in household of another, residing in domiciliary-care facility, etc.

⁶ California, Delaware (effective July 1, 1974), the District of Columbia, Hawaii, Iowa, Maine (not yet implemented), Massachusetts, Michigan, Montana (effective July 1, 1974), Nevada, New Jersey, New York, Pennsylvania, Rhode Island, Vermont (changed to Federal administration July 1, 1974), Washington, and Wisconsin.

established federally for all eligible individuals and couples, as table 5 shows. California, Hawaii, Massachusetts, Nevada, New York, and Wisconsin all have "adjusted payment levels"⁷ higher than the Federal payment standard and will probably exceed in fiscal year 1974 the State assistance expenditures for the aged, blind, and disabled in the calendar year 1972. They will thus benefit from the "hold harmless" provision in the law.

ADDITIONAL STATE ASSISTANCE

Five States (California, Massachusetts, Nevada, Rhode Island, and Washington) provide, along with federally administered mandatory and optional supplementation, some additional payments under special conditions. Most of these payments are related to higher costs for institutional care—domiciliary care, for example. Washington provides special need payments for blind persons with guide dogs and for telephone and laundry service. New York and Massachusetts provide emergency payments for expenses resulting from fires, floods, and other disasters. In most cases, these payments to persons receiving

⁷The "adjusted payment level" is the amount of the cash payment an individual with no other income—imputed or otherwise—would have received in January 1972 under an approved plan for aid to the aged, blind, or disabled, plus a "payment level modification" and the "bonus value" of food stamps (both at State option). The payment level modification is the amount by which the State could have lowered its standard of need and raised its payment to an individual without exceeding the non-Federal share of expenditures in calendar year 1972 for assistance under titles I, X, XIV, and XVI of the Social Security Act. The bonus value of food stamps is the difference between the face value of the coupon allotment provided for January 1972 less the amount paid for the coupon allotment.

SSI and/or State supplementation only are made from State and local general assistance funds.

Summary

A majority of the States and the District of Columbia have both mandatory and optional programs that supplement the SSI program. Fourteen States have chosen to administer the supplementary payments themselves, 16 States and the District of Columbia have elected Federal administration, and three States have elected Federal administration of their mandatory supplements but retained administration of their optional supplements.

Most States with both mandatory and optional supplementation provide for the mandatory supplements under the provisions of their optional programs. Many persons in these States receive a supplementary payment in addition to the Federal SSI payment or they receive only a State supplementary payment because their income and resources preclude a Federal payment. Former public assistance recipients and newly eligible persons are treated alike—that is, the various State payment standards are the same for both groups.

The rest of the States (excluding Texas) provide mandatory supplementation only. Thirteen of these 16 States elected Federal administration, and three chose State administration. In all these States the former assistance recipients will, for the most part, receive higher payments because of the protection afforded by the mandatory State supplementation provisions in the law. Newly eligible persons will be eligible for Federal SSI payments without any State supplementation.