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CALIFORNIA LEGISLATURE—2015–16 REGULAR SESSION

ASSEMBLY BILL

No. 1584

**Introduced by Assembly Member Brown
(Principal coauthor: Assembly Member Thurmond)**

January 6, 2016

An act to amend Section 12201 ~~of, and to add Section 12200.7 to, of~~ the Welfare and Institutions Code, relating to public social services, and making an appropriation therefor.

LEGISLATIVE COUNSEL'S DIGEST

AB 1584, as amended, Brown. Public social services: SSI/SSP.

Existing law provides for the State Supplementary Program for the Aged, Blind and Disabled (SSP), which requires the State Department of Social Services to contract with the United States Secretary of Health and Human Services to make payments to SSP recipients to supplement Supplemental Security Income (SSI) payments made available pursuant to the federal Social Security Act.

Under existing law, benefit payments under SSP are calculated by establishing the maximum level of nonexempt income and federal SSI and state SSP benefits for each category of eligible recipient. The state SSP payment is the amount required, when added to the nonexempt income and SSI benefits available to the recipient, to provide the maximum benefit payment. Existing law prohibits, for each calendar

year, commencing with the 2011 calendar year, any cost-of-living adjustment from being made to the maximum benefit payment unless otherwise specified by statute, except for the pass along of any cost-of-living increase in the federal SSI benefits. Existing law continuously appropriates funds for the implementation of SSP.

This bill would reinstate the cost-of-living adjustment beginning January 1 of the ~~2017~~ 2018 calendar year. ~~The bill would also require a maximum aid payment provided to an individual or a married couple that does not equal or exceed 96% of the 2016 federal poverty level, or 100% of the 2017 federal poverty level, as specified, to be increased to an amount that equals 96% or 100% of the federal poverty level, respectively.~~

By reinstating the cost-of-living adjustment and by increasing the amount of benefits paid under the SSP, *adjustment*, this bill would make an appropriation.

Vote: $\frac{2}{3}$. Appropriation: yes. Fiscal committee: yes.
 State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 ~~SECTION 1. Section 12200.7 is added to the Welfare and~~
- 2 ~~Institutions Code, to read:~~
- 3 ~~12200.7. (a) Commencing January 1, 2017, any maximum aid~~
- 4 ~~payment provided to an individual pursuant to Section 12200 and~~
- 5 ~~adjusted pursuant to Section 12201 that does not equal or exceed~~
- 6 ~~96 percent of the 2016 federal poverty level for a household of~~
- 7 ~~one shall be increased to an amount that equals 96 percent of the~~
- 8 ~~2016 federal poverty level for a household of one.~~
- 9 ~~(b) Commencing January 1, 2017, any maximum aid payment~~
- 10 ~~provided to a married couple pursuant to Section 12200 and~~
- 11 ~~adjusted pursuant to Section 12201 that does not equal or exceed~~
- 12 ~~96 percent of the 2016 federal poverty level for a household of~~
- 13 ~~two shall be increased to an amount that equals 96 percent of the~~
- 14 ~~2016 federal poverty level for a household of two.~~
- 15 ~~(c) Commencing January 1, 2018, any maximum aid payment~~
- 16 ~~provided to an individual pursuant to Section 12200 and adjusted~~
- 17 ~~pursuant to Section 12201 that does not equal or exceed 100~~
- 18 ~~percent of the 2017 federal poverty level for a household of one~~
- 19 ~~shall be increased to an amount that equals 100 percent of the 2017~~
- 20 ~~federal poverty level for a household of one.~~

1 ~~(d) Commencing January 1, 2018, any maximum aid payment~~
 2 ~~provided to a married couple pursuant to Section 12200 and~~
 3 ~~adjusted pursuant to Section 12201 that does not equal or exceed~~
 4 ~~100 percent of the 2017 federal poverty level for a household of~~
 5 ~~two shall be increased to an amount that equals 100 percent of the~~
 6 ~~2017 federal poverty level for a household of two.~~

7 ~~(e) This section is not intended to result in the reduction of any~~
 8 ~~payment provided to an individual that exceeds 96 percent of the~~
 9 ~~2016 federal poverty level for a household of one during the 2017~~
 10 ~~calendar year, or that exceeds 100 percent of the 2017 federal~~
 11 ~~poverty level for a household of one during the 2018 calendar year.~~

12 ~~(f) This section is not intended to result in the reduction of any~~
 13 ~~payment provided to a married couple that exceeds 96 percent of~~
 14 ~~the 2016 federal poverty level for a household of two during the~~
 15 ~~2017 calendar year, or that exceeds 100 percent of the 2017 federal~~
 16 ~~poverty level for a household of two during the 2018 calendar~~
 17 ~~year.~~

18 ~~SEC. 2.~~

19 *SECTION 1.* Section 12201 of the Welfare and Institutions
 20 Code is amended to read:

21 12201. (a) Except as provided in subdivision ~~(d)~~, *(d) or (g)*,
 22 the payment schedules set forth in Section 12200 shall be adjusted
 23 annually to reflect any increases or decreases in the cost of living.
 24 Except as provided in subdivision (e) or (f), these adjustments
 25 shall become effective January 1 of each year. The cost-of-living
 26 adjustment shall be based on the changes in the California
 27 Necessities Index, which as used in this section shall be the
 28 weighted average of changes for food, clothing, fuel, utilities, rent,
 29 and transportation for low-income consumers. The computation
 30 of annual adjustments in the California Necessities Index shall be
 31 made in accordance with the following steps:

32 (1) The base period expenditure amounts for each expenditure
 33 category within the California Necessities Index used to compute
 34 the annual grant adjustment are:

35		
36	Food.....	\$ 3,027
37	Clothing (apparel and upkeep).....	406
38	Fuel and other utilities.....	529
39	Rent, residential.....	4,883
40	Transportation.....	1,757

1		
2	Total.....	\$10,602
3		

4 (2) Based on the appropriate components of the Consumer Price
5 Index for All Urban Consumers, as published by the United States
6 Department of Labor, Bureau of Labor Statistics, the percentage
7 change shall be determined for the 12-month period that ends 12
8 months prior to the January in which the cost-of-living adjustment
9 will take effect, for each expenditure category specified in
10 paragraph (1) within the following geographical areas: Los
11 Angeles-Long Beach-Anaheim, San Francisco-Oakland, San Diego,
12 and, to the extent statistically valid information is available from
13 the Bureau of Labor Statistics, additional geographical areas within
14 the state that include not less than 80 percent of recipients of aid
15 under this chapter.

16 (3) Calculate a weighted percentage change for each of the
17 expenditure categories specified in paragraph (1) using the
18 applicable weighting factors for each area used by the Department
19 of Industrial Relations to calculate the California Consumer Price
20 Index (CCPI).

21 (4) Calculate a category adjustment factor for each expenditure
22 category in paragraph (1) by (1) adding 100 to the applicable
23 weighted percentage change as determined in paragraph (2) and
24 (2) dividing the sum by 100.

25 (5) Determine the expenditure amounts for the current year by
26 multiplying each expenditure amount determined for the prior year
27 by the applicable category adjustment factor determined in
28 paragraph (4).

29 (6) Determine the overall adjustment factor by dividing (1) the
30 sum of the expenditure amounts as determined in paragraph (4)
31 for the current year by (2) the sum of the expenditure amounts as
32 determined in paragraph (4) for the prior year.

33 (b) The overall adjustment factor determined by the preceding
34 computational steps shall be multiplied by the payment schedules
35 established pursuant to Section 12200 as are in effect during the
36 month of December preceding the calendar year in which the
37 adjustments are to occur, and the product rounded to the nearest
38 dollar. The resultant amounts shall constitute the new schedules
39 for the categories given under subdivisions (a), (b), (c), (d), (e),
40 (f), and (g) of Section 12200, and shall be filed with the Secretary

1 of State. The amount as set forth in subdivision (h) of Section
2 12200 shall be adjusted annually pursuant to this section in the
3 event that the secretary agrees to administer payment under that
4 subdivision. The payment schedule for subdivision (i) of Section
5 12200 shall be computed as specified, based on the new payment
6 schedules for subdivisions (a), (b), (c), and (d) of Section 12200.

7 (c) The department shall adjust any amounts of aid under this
8 chapter to ensure that the minimum level required by the Social
9 Security Act in order to maintain eligibility for funds under Title
10 XIX of that act is met.

11 (d) (1) No adjustment shall be made under this section for the
12 1991, 1992, 1993, 1994, 1995, 1996, 1997, 1998, 2004, 2006,
13 2007, 2008, 2009, and 2010 calendar years to reflect any change
14 in the cost of living. Elimination of the cost-of-living adjustment
15 pursuant to this paragraph shall satisfy the requirements of Section
16 12201.05, and no further reduction shall be made pursuant to that
17 section.

18 (2) Any cost-of-living adjustment granted under this section for
19 any calendar year shall not include adjustments for any calendar
20 year in which the cost-of-living adjustment was suspended pursuant
21 to paragraph (1).

22 (e) For the 2003 calendar year, the adjustment required by this
23 section shall become effective June 1, 2003.

24 (f) For the 2005 calendar year, the adjustment required by this
25 section shall become effective April 1, 2005.

26 (g) (1) *For the 2011 calendar year to the 2017 calendar year,*
27 *inclusive, no adjustment shall be made under this section unless*
28 *otherwise specified by statute.*

29 (2) *Notwithstanding paragraph (1), the pass along of federal*
30 *benefits provided for in Section 12201.05 shall be effective on*
31 *January 1 of each calendar year.*