



House of Representatives

General Assembly

File No. 644

January Session, 2005

Substitute House Bill No. 5290

House of Representatives, May 3, 2005

The Committee on Appropriations reported through REP. MERRILL of the 54th Dist., Chairperson of the Committee on the part of the House, that the substitute bill ought to pass.

AN ACT CONCERNING AN INCREASE TO THE UNEARNED INCOME DISREGARD FOR STATE SUPPLEMENT RECIPIENTS.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 17b-106 of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective from passage*):

3 [(a) On July 1, 1985, the Commissioner of Social Services shall
4 increase the adult payment standards for the state supplement to the
5 federal Supplemental Security Income Program by four and
6 three-tenths per cent over the standards for the fiscal year ending June
7 30, 1985, provided the commissioner shall apply the appropriate
8 disregards. Notwithstanding the provisions of any regulation to the
9 contrary, effective July 1, 1994, the commissioner shall reduce the
10 appropriate unearned income disregard for recipients of the state
11 supplement to the federal Supplemental Security Income Program by
12 seven per cent, provided if sufficient funds are available within
13 accounts in the Department of Social Services and are transferred to

14 the old age assistance account, the aid to the blind account and the aid
15 to the disabled account, the commissioner shall increase the unearned
16 income disregard for recipients of the state supplement to the federal
17 Supplemental Security Income Program to a level not to exceed that in
18 effect on June 30, 1994.]

19 (a) On July 1, 2005, and on each January first thereafter, the
20 Commissioner of Social Services shall increase the unearned income
21 disregard for recipients of the state supplement to the federal
22 Supplemental Security Income Program by an amount equal to the
23 federal cost-of-living adjustment, if any, provided to recipients of
24 federal Supplemental Security Income Program benefits for the
25 corresponding calendar year. On July 1, 1989, and annually thereafter,
26 the [Commissioner of Social Services] commissioner shall increase the
27 adult payment standards over those of the previous fiscal year for the
28 state supplement to the federal Supplemental Security Income
29 Program by the percentage increase, if any, in the most recent calendar
30 year average in the consumer price index for urban consumers over
31 the average for the previous calendar year, provided the annual
32 increase, if any, shall not exceed five per cent, except that the adult
33 payment standards for the fiscal years ending June 30, 1993, June 30,
34 1994, June 30, 1995, June 30, 1996, June 30, 1997, June 30, 1998, June 30,
35 1999, June 30, 2000, June 30, 2001, June 30, 2002, June 30, 2003, June 30,
36 2004, and June 30, 2005, shall not be increased. Effective October 1,
37 1991, the coverage of excess utility costs for recipients of the state
38 supplement to the federal Supplemental Security Income Program is
39 eliminated. Notwithstanding the provisions of this section, the
40 [Commissioner of Social Services] commissioner may increase the
41 personal needs allowance component of the adult payment standard as
42 necessary to meet federal maintenance of effort requirements.

43 (b) Effective July 1, 1998, the [Commissioner of Social Services]
44 commissioner shall provide a state supplement payment for recipients
45 of Medicaid and the federal Supplemental Security Income Program
46 who reside in long-term care facilities sufficient to increase their
47 personal needs allowance to fifty dollars per month. Such state

The following fiscal impact statement and bill analysis are prepared for the benefit of members of the General Assembly, solely for the purpose of information, summarization, and explanation, and do not represent the intent of the General Assembly or either House thereof for any purpose:

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 06 \$	FY 07 \$
Department of Social Services	GF - Cost	1,525,000	3,033,000

Municipal Impact: None

Explanation

This bill requires the Department of Social Services to increase the unearned income disregard under the State Supplement programs by an amount equal to any cost of living adjustment provided under the federal Supplemental Security Income Program. It is estimated that this change will cost \$1,525,000 in FY06 and \$3,033,000 in FY07.

OLR Bill Analysis

sHB 5290

AN ACT CONCERNING AN INCREASE TO THE UNEARNED INCOME DISREGARD FOR STATE SUPPLEMENT RECIPIENTS**SUMMARY:**

This bill requires the commissioner of the Department of Social Services (DSS), beginning July 1, 2005 and on each January 1 thereafter, to increase the amount of unearned income she disregards when determining eligibility and benefits for the State Supplement Program (SSP). She must increase the disregard by the amount of the cost-of-living adjustment (COLA), if any, provided to federal Supplemental Security Income (SSI) recipients for the corresponding calendar year.

The bill also repeals obsolete language.

EFFECTIVE DATE: Upon passage

BACKGROUND***State Supplement Program***

Low-income people who are aged, blind, or disabled can receive federal SSI benefits if they meet that program's financial eligibility requirements. The state offers a supplement to these benefits, the SSP, to people whose gross income is no more than 300% of the SSI benefit (currently \$1,737 per month, or \$579 times three) and assets are no more than \$1,600 if single, or \$2,400 if part of a married couple. To calculate the benefit, DSS takes the income, subtracts any applicable disregards, and compares the difference to the program's benefit level (which, in part, is based on the person's living arrangement). If the net income figure is less than the benefit, the person qualifies and the benefit equals the difference.

Since 1991, DSS has disregarded \$183 in unearned income from applicants or recipients who are living alone in the community. These disregards, as well as program benefit levels, have not increased in many years. But SSI benefits (considered unearned income) have risen

each year (the increases go into effect each January 1), which has had the effect of reducing the amount of SSP benefits people receive, if not eliminating their eligibility for the program altogether.

Although state law requires the SSP benefit levels to rise 5% annually, they have not increased since 1988 because the legislature has repeatedly frozen them. The current freeze expires on June 30, 2005.

COMMITTEE ACTION

Human Services Committee

Joint Favorable Substitute Change of Reference
Yea 16 Nay 0

Appropriations Committee

Joint Favorable Report
Yea 50 Nay 0