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# Supplemental Security Income: Optional State Supplementation, October 1977

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In addition to the mandatory supplementation of Federal SSI payments required under certain circumstances, the States may make optional supplementary payments to help cover the basic and special needs of recipients residing within their borders. This article discusses the provisions under which participating States have elected to handle optional supplementary payments for basic needs: Living arrangement payment classifications, administering agencies, geographical payment variations, payment variations according to reason for eligibility, the coverage of children, lien and recovery provisions, relatives' responsibility, income disregards, resource limitations, units of assistance, and the source of funds for payments and administrative expenses. The special needs that call for supplementation in some States are also discussed.

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Under the supplemental security income (SSI) program the States are required to supplement Federal SSI payments in cases where this aid does not maintain the December 1973 income level of recipients who were transferred from the former State public assistance programs as of January 1, 1974. Optional State supplementary payments are also provided to help recipients meet those needs not fully covered by the Federal SSI payment. The State determines whether it will make such payments, to whom they will go, and the amounts to be paid. The State also has a choice regarding administration. It may elect to administer the payments itself under its own rules and regulations. Alternatively, it may enter into an agreement with the Secretary of Health, Education, and Welfare to have its payments administered according to rules the Secretary determines are necessary to achieve efficient and effective administration of both the Federal SSI payment and the State supplementary payment. Two types of optional State supplements may be provided—"basic" (payments for food, shelter, clothing, utilities, and the other daily necessities of life) and "special" (payments for emergencies and to cover special conditions or circumstances).

This article examines the general provisions for eligibility, assistance, and administration under optional State programs. Some form of optional State supplementation covering basic needs was in effect as of October 1, 1977, in the 40 States listed below. Two States—Missouri and West Virginia—provided payments only for special needs. The

special-need items for which States were making additional payments are listed in table 1.

Alabama	Maine	Oregon
Alaska	Maryland	Pennsylvania
Arizona	Massachusetts	Rhode Island
California	Michigan	South Carolina
Colorado	Minnesota	South Dakota
Connecticut	Montana	Vermont
Delaware	Nebraska	Virginia
District of Columbia	Nevada	Washington
Florida	New Hampshire	Wisconsin
Hawaii	New Jersey	Wyoming
Idaho	New Mexico	
Illinois	New York	
Indiana	North Carolina	
Iowa	North Dakota	
Kentucky	Oklahoma	

Where appropriate, the Federal regulations are given to permit comparisons of those regulations with differing State rules. The provisions are discussed according to the data originally published in a more comprehensive report.<sup>1</sup>

## Basic-Need Supplementation

### Living Arrangement Payment Classifications

Federal SSI payment levels were established for eligible individuals and couples in three types of living arrangements: (1) Independent, (2) in the household of another, and (3) in a medical facility where more than 50 percent of the

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<sup>1</sup> Donald E. Rigby and Malcolm H. Morrison, **Selected Characteristics of State Supplementation Programs as of October 1977**, Office of Research and Statistics, Social Security Administration, 1978.

**Table 1.—Optional State supplements for**

Special need items	Total number	Ala.	Ariz.	Calif.	Colo.	Conn.	D.C.	Hawaii	Idaho	Ill.	Iowa	Maine	Md.	Mass.	Mich.
Moving expenses <sup>2</sup> . . . . .	12			•		•				•			•	•	
Catastrophic and disastrous events <sup>3</sup> . . . . .	9			•		•	•						•	•	
Household furnishing replacement, repairs, and storage . . . . .	9					•				•			•		•
Shelter expenses (including mortgage and tax payments) . . . . .	9			•		•		•		•			•	•	
Burial expenses . . . . .	8										•			•	
Emergency situations <sup>3</sup> . . . . .	6			•									•	•	
Home services (including nursing or attendant care) <sup>4</sup> . . . . .	6	•	•		•									•	
Housing repairs and property maintenance <sup>2</sup> . . . . .	6			•		•				•					•
Telephone installment and services . . . . .	6					•				•					
Transportation . . . . .	5					•									
Other medical, insurance, and related expenses <sup>5</sup> . . . . .	5		•			•									
Guide-dog care . . . . .	4			•				•							
Nursing-home care <sup>4</sup> . . . . .	4							•				•		•	
Special diet . . . . .	4					•									
Restaurant and home delivered meals . . . . .	3							•							
Laundry allowance . . . . .	3					•									
Utility installation and services . . . . .	3					•				•					
Payment of debts . . . . .	3			•		•									
Employment expenses <sup>2</sup> . . . . .	2					•									
Essential spouse <sup>4</sup> . . . . .	2				•										
Fuel costs . . . . .	2												•		
Nonmedical facility <sup>4, 6</sup> . . . . .	2			•											
Aid to blind for self-support plan . . . . .	1														
Newspapers . . . . .	1														
Persons ineligible for SSI	1														

<sup>1</sup>Special need supplements are at the option of individual counties in North Dakota, Alaska, Delaware, Florida, Indiana, Montana, Kentucky, Nevada, South Carolina, South Dakota, Virginia, and Wyoming have elected to provide supplements for basic needs only.

<sup>2</sup>Some States disregard the income expended in these items rather than providing supplements for them.

cost is covered by Medicaid. Recipients residing in nonmedical facilities or in private medical facilities where half or less of the costs of care are absorbed by Medicaid are paid on the independent-arrangement standard.<sup>2</sup> In States that had an increment for an essential person in December 1973, the basic SSI payment is increased to reflect the needs of such a person. This Federal increment is limited to recipients previously eligible under the State programs.

The basic Federal payment levels for recipients without resources or countable income are as follows:

Type of arrangement	Individual	Couple
Living independently . . . . .	\$177.80	\$266.70
Living in household of another . . . . .	118.54	177.80
Residing in Medicaid facility . . . . .	25.00	
Essential-person increment . . . . .	89.00	

Under federally administered optional supplementation programs, States may elect to make supplementary payments to recipients in some or all of the five following types of living arrangements: Living independently, living with an ineligible spouse, domiciliary care, personal-care attendance, and other State-defined arrangements. Under State-administered programs, States may develop payment classifications for any number of living arrangements. In October

<sup>2</sup>Individuals in public institutions who receive little or no assistance from Medicaid are ineligible.

1977, the States had the payment classifications described below.

**Living independently.** The 26 States with this standard were Alabama, Alaska, California, Colorado, Connecticut, Hawaii, Idaho, Illinois, Iowa, Maine, Massachusetts, Michigan, Minnesota, Nebraska, Nevada, New Hampshire, New Jersey, New York, Oklahoma, Oregon, Pennsylvania, Rhode Island, Vermont, Washington, Wisconsin, and Wyoming. This arrangement was limited to couples in Alabama, to the blind in Iowa, and to the aged and blind in Nevada. In New Jersey, those living in their own households with persons other than an ineligible spouse were ineligible for supplementation. In Connecticut and Illinois, the budget process was used to establish payment amounts. If a State had this payment standard but not one for those in nonmedical facilities and/or living in the household of another, it may have provided the same payment to all.

**Care in nonmedical facility.** The 32 States paying for this type of care were Alabama, California, Colorado, Delaware, the District of Columbia, Florida, Hawaii, Idaho, Indiana, Iowa, Kentucky, Maine, Maryland, Massachusetts, Michigan, Montana, Nebraska, Nevada, New Hampshire, New Jersey, New Mexico, New York, North Carolina, North Dakota, Oregon, Pennsylvania, South Carolina, South Dakota, Vermont, Virginia, West Virginia, and Wisconsin. Such arrangements were limited to the aged and

special need items, by State, October 1977 <sup>1</sup>

Minn.	Mo.	Nebr.	N.H.	N.J.	N.Mex.	N.Y.	N.C.	Okla.	Oreg.	Pa.	R.I.	Vt.	Wash.	W.Va.	Wis.	Special need items
•		•	•			•			•	•	•					Moving expenses <sup>2</sup>
•				•		•					•					Catastrophic and disastrous events <sup>3</sup>
		•	•			•			•							Household furnishing replacement, repairs, and storage
•		•	•		•	•			•							Shelter expenses (including mortgage and tax payments)
				•		•		•		•	•			•		Burial expenses
						•					•					Emergency situations <sup>3</sup>
						•			•							Home services (including nursing or attendant care) <sup>4</sup>
		•	•													Housing repairs and property maintenance <sup>2</sup>
•			•						•				•			Telephone installment and services
•		•							•			•				Transportation
		•					•		•							Other medical, insurance, and related expenses <sup>5</sup>
	•								•				•			Guide-dog care
•						•			•							Nursing-home care <sup>4</sup>
									•							Special diet
									•				•			Restaurant and home delivered meals
			•						•				•			Laundry allowance
			•						•							Utility installation and services
									•							Payment of debts
•									•			•				Employment expenses <sup>2</sup>
•									•							Essential spouse <sup>4</sup>
									•							Fuel costs
									•					•	•	Nonmedical facility <sup>4 6</sup>
									•							Aid to blind for self-support plan
	•								•							Newspapers
									•							Persons ineligible for SSI

<sup>1</sup> Includes food, fuel, shelter, clothing, and cash.

<sup>4</sup> In many States, service covered under basic needs.

<sup>3</sup> In North Carolina, payment limited to blind recipients only.

<sup>6</sup> In Wisconsin, payment for developmentally disabled only.

blind in Nevada and to mentally retarded disabled individuals in Wisconsin. In South Dakota, payment determinations were made by the counties.

**Care in medical facility or institution.** Nine States—Alabama, Alaska, Arizona, Idaho, Massachusetts, Missouri, Nebraska, Oklahoma, and Wisconsin—provided payments to persons receiving this type of care. The arrangement was limited to the aged in Arizona, the aged and disabled in Idaho, recipients in Medicaid institutions in Nebraska, those with less than \$50 of monthly income in Oklahoma, and those in medical facilities in which Medicaid paid 50 percent or less of the costs in Wisconsin.

**Individuals in the household of another.** The 16 States with this payment classification were California, Hawaii, Iowa, Maine, Massachusetts, Michigan, Nevada, New Jersey, New York, Oregon, Pennsylvania, Rhode Island, Vermont, Washington, Wisconsin, and Wyoming. Iowa limited its supplementation to the blind.

**Increment for essential person or ineligible spouse.** The 12 States providing such payments were Colorado, Idaho, Nebraska, New Hampshire, New Jersey, North Carolina, Oregon, Pennsylvania, South Carolina, Vermont, Washington, and Wisconsin. In Pennsylvania the payment applied only to recipients transferred from the former State assistance programs. Wisconsin had separate payment standards for ineligible spouses and essential persons.

## Administering Agency

**Federally administered by the Social Security Administration.** A State electing Federal administration of its optional supplements agrees to accept rules governing eligibility criteria and payment amounts that provide the most effective and efficient administration of both Federal SSI and State supplemental payments. The Federal and State allocations are combined in one check. Administrative costs are absorbed by the Federal Government.

The 17 States with this type of arrangement were California, Delaware, the District of Columbia, Hawaii, Iowa, Maine, Massachusetts, Michigan, Montana, Nevada, New Jersey, New York, Pennsylvania, Rhode Island, Vermont, Washington, and Wisconsin.

**State-administered through local offices or county welfare offices of State agency.** A State that chooses to administer its own optional supplements establishes its own eligibility criteria and payment amounts. All the administrative costs for the supplemental payments are borne by the State.

The 15 States having this type of arrangement were Alaska, Arizona, Connecticut, Florida, Idaho, Illinois, Iowa, Kentucky, Nebraska, New Hampshire, New Mexico, Oklahoma, Oregon, South Dakota, and Wyoming. Iowa appears in both the Federal and State administrative categories because administrative responsibility is split in that

State. The Social Security Administration administers payments for persons living independently, with a dependent relative, in family life or in boarding homes, and in the household of another. The State Department of Social Services administers payments for persons in residential care, in home health-related care, and in family life homes for individuals with no other income.

**County-administered with State supervision.** Eligibility criteria are established by the State agency. The county departments determine eligibility and the payment amounts. Administrative costs may be financed solely by the State, by a combination of State and county funds, or by county funds only. The nine States with this type of arrangement were Alabama, Colorado, Indiana, Maryland, Minnesota, North Carolina, North Dakota, South Carolina, and Virginia.

### **Geographical Payment Variations**

Federal SSI payments do not vary according to geographical location. States electing Federal administration of their supplementary programs are permitted up to three geographical payment variations. No such limitations apply in States that administer or supervise their own optional programs.

The five States with geographical payment variations were Minnesota, New York, North Dakota, Vermont, and Washington. In New York the variations applied only to congregate-care living arrangements. In Vermont, they applied only to couples living independently. The remaining States had no geographical payment variations.

### **Payment Variations by Reason for Eligibility**

Federal SSI payments do not vary according to reason for eligibility; the aged, blind, and disabled in the same financial circumstances receive the same amount. Optional State supplementary payments may vary according to reason for eligibility under both Federal and State-administered optional programs. States may also elect to exclude any eligibility category from optional supplementation.

Ten States provided variations in payments for certain categories of eligibility. Massachusetts and North Carolina applied this arrangement to the aged, blind, and disabled. It was limited to the aged in Colorado, to the aged and blind in Nevada, and to the blind in Alabama, California, Iowa, Oregon, and Virginia. North Dakota made the payment variations optional with the counties.

### **Coverage of Children**

Under the former State programs of aid to the permanently and totally disabled, Federal participation was restricted by law to recipients aged 18 and over. Aid to the blind, however, had no age limitation. Under current Fed-

eral SSI regulations, a child qualifies on the same basis as a blind or disabled adult, with slight differences in the effects of income and resources. To qualify as a child, one must be (1) unmarried, (2) not the head of the household, and (3) under age 18 or between the ages of 18 and 22 and regularly attending school. Children under age 21 living with parents are paid at the same rates as those "living independently" and the income and resources of their parents (natural, adoptive, or step) determine their eligibility and payment amounts. Children aged 21 living with parents are paid at the same rate as those "in the household of another" (with a one-third reduction in the payment), but their parents' income and resources are not considered in the eligibility or payment determinations. Other income "disregards" available for children include (1) earnings obtained while enrolled in a training program up to a maximum of \$1,200 per calendar quarter and a \$1,620 limit per calendar year and (2) one-third of the support payments provided by an absent parent. Under State optional supplementation programs, whether federally or State-administered, States may exclude blind and/or disabled children from their programs.

**States with optional payments for blind and disabled children under age 18.** The 26 States that provided such payments were California, Connecticut, Florida, Hawaii, Idaho, Illinois, Iowa, Kentucky, Maine, Maryland, Massachusetts, Michigan, Montana, Nebraska, New Jersey, New Mexico, New York, North Dakota, Pennsylvania, Rhode Island, South Dakota, Vermont, Virginia, Washington, Wisconsin, and Wyoming. In Florida the child had to have been under the "community residential placement program." In Iowa, blind children were eligible only if they were living in their own household or with dependent relatives. Maryland provided these payments, at the option of the county of residence, only if the child was in a domiciliary-care facility. In Michigan, payments were restricted to those residing in a domiciliary-care or personal-care facility. In Pennsylvania, all living arrangements were covered except domiciliary care, for which the child had to be aged 18 or older to receive payments.

**States with optional payments only for blind children under age 18.** The seven States in this category were Alabama, Colorado, Minnesota, Nevada, New Hampshire, North Carolina, and Oregon.

### **Lien and Recovery Provisions**

Federal SSI regulations do not contain lien provisions. States, however, may require that a lien be placed on a recipient's property as a condition of eligibility for supplementary payments. States electing Federal administration of supplementary payments must have their lien and recovery requirements approved by the Secretary of Health, Education, and Welfare. States administering their own supplementation programs do not need such approval. Enforcement of lien provisions is solely a State responsibility.

ity. State lien requirements have no effect on Federal SSI eligibility or payments. A recipient may refuse to sign a lien agreement and thereby decline the State supplement but remain eligible for and receive a Federal SSI payment.

The nine States with lien, recovery, or assignment provisions were Connecticut, the District of Columbia, Florida, Illinois, Indiana, Maryland, New Hampshire, North Dakota, and Oregon. In New Hampshire the provisions applied only to the aged and disabled. The District of Columbia applied its provisions only in those cases in which a lien was assigned before the SSI program began. The remaining 31 States had no provisions for liens, recoveries, or assignments.

## Relatives' Responsibility

Under Federal SSI regulations the income and resources of certain relatives living in the same household as the recipient are deemed available to the recipient and are considered when payments are determined. Relatives whose income is deemed available are (1) the ineligible spouse and (2) the parents—natural, adoptive, or step—of an eligible child. The amount deemed to accrue to the recipient varies with the relationship (parent or spouse), the source of funds (earned-uneared income, resources), and the composition of the household. Not all income is counted and income or goods from certain sources is disregarded—for example, the value of in-kind support and maintenance furnished to an ineligible spouse, parents, and/or children in the household. The resources of the ineligible spouse or parents are subject to the same dollar limitations as those that are applied to individuals and couples—\$1,500 and \$2,250, respectively.

Under federally administered State optional supplementation programs, Federal regulations are applied. Under State-administered programs, the States establish their own regulations.

**One spouse responsible for the other.** The 11 States with this provision were Alabama, Connecticut, Idaho, Illinois, Indiana, Maryland, (husband for wife only, and counting only resources actually received), Nebraska, New Hampshire, North Carolina, Rhode Island (applied only to optional State supplementation for special needs), and Virginia.

**Parents responsible for children.** The eight States with this provision were Alaska, Idaho, Illinois, Indiana, Maryland, Nebraska, New Hampshire, and Rhode Island. In Illinois, parents were not responsible for a child aged 18 or over if it could be determined that the child had established a consistent pattern of independent living before applying for assistance. In Indiana, parents were responsible only for blind or disabled adult children. In Maryland, responsibility was limited to children under age 18 and only resources actually received were counted. In Nebraska the regulations were applied only to children under age 19. The regulations

in Rhode Island were applied only to optional State supplementation for special needs and only to children under age 18.

**Children responsible for parents.** The six States with this provision were Alaska (aged parents only), Connecticut (parents under age 65 only), Idaho, Indiana, Maryland (counting only resources actually received), and New Hampshire.

## Income Disregards

Not all income is counted in determining SSI payments. The major exclusions are the first \$60 of income per calendar quarter and \$195 plus half the remaining earned income per quarter.<sup>3</sup> Other income exclusions are: (1) Irregular or infrequently received income totaling \$60 or less if unearned and \$30 or less if earned in a calendar quarter, (2) payments for foster care in a recipient's home of an ineligible child residing there following placement by a public or private nonprofit child-care agency, (3) one-third of any payment received from an absent parent for the support of a child eligible under SSI, (4) any assistance based on need (including vendor payments) or remitted on behalf of SSI recipients by State or local governments, (5) the value of assistance provided under certain Federal housing programs, and (6) certain earnings of a blind or disabled child under age 22 who is attending an educational institution.

Under federally administered State optional supplementation, States may not establish disregards lower than the Federal standards. The standards may, however, exceed the Federal minimum. Under State-administered programs, States may establish lower or higher disregards or none at all.

**Disregards higher than Federal standards.** The two States with this standard were Maine and Connecticut. In the latter State, however, income disregards were higher than the Federal standard only for the blind; for the aged and disabled, they were lower.

**Disregards lower than Federal standards.** The eight States having this standard were Alabama, Colorado, Florida, Minnesota, Nebraska, New Hampshire, North Carolina, and Oregon. In Minnesota, New Hampshire, North Carolina, and Colorado, the income disregards for the blind on earned income were higher than the Federal standard. In the latter State, disregards were provided only on earned income.

**No income disregards.** The seven States that did not have income disregards were Arizona, Indiana, Kentucky, Maryland, New Mexico, Wyoming, and Alaska. In the latter

<sup>3</sup> A special provision applies to persons who meet the October 1972 definition of blindness in their State and who received such aid from the State in December 1973. Such persons have excluded from their income an amount equal to the maximum amount that could have been excluded in October 1972 under the State program, if that amount is higher than the SSI income exclusions.

State an exception was the \$100 Alaska longevity bonus for the aged, which was disregarded.

**Other provisions.** Data were limited for North Dakota and Oklahoma. The remaining States applied the Federal SSI standards. Virginia disregarded the income of the ineligible spouse of an SSI eligible recipient up to the State Medicaid payment level.

## Resource Limitations

The Federal SSI limits on resources are (1) \$1,500 for an eligible individual without a spouse and (2) \$2,250 for an eligible individual living with a spouse or for an eligible couple. Not all resources are counted in making the cash-value determination, however. Major exclusions are (1) a home and adjacent land and buildings, (2) household goods and personal effects of reasonable value, (3) property necessary for self-support, (4) an automobile, (5) life insurance with a face value of up to \$1,500, and (6) resources necessary to achieve an approved self-support plan for the blind and disabled.

Under federally administered State optional supplementation programs, States are prohibited from establishing limits on resources that are more restrictive than the Federal provisions. The resource limitations may, however, be less restrictive. Under the State administered programs, resource limitations may either be more restrictive, less restrictive, or the same as the Federal standards.

**Resource provisions more restrictive than Federal provisions.** The 11 States with this type of standard were Alabama, Arizona, Colorado, Connecticut, Illinois, Indiana, Kentucky, Minnesota, New Hampshire, North Carolina, and Oklahoma. In Minnesota the resource provisions for the blind were less restrictive than the Federal SSI provisions.

**No limitations on resources.** The two States that had no limitations on resources were New Mexico and Wyoming.

**Other provisions.** Data were limited for North Dakota. In the remaining States the Federal SSI resource limitations were applied. In Idaho, real property or the interest therein could not be transferred without adequate monetary consideration. In Oregon the limitations were applied only to recipients eligible after December 1973; the resource provisions for those eligible in that month or earlier were more restrictive.

## Units of Assistance

Under the Federal program, if both husband and wife are eligible for SSI and live in the same household or have been separated for less than 6 months, they are recognized as a single assistance unit. Because of shared shelter and maintenance costs, couples receive only \$266.70 a month—less than two eligible individuals living independently (\$177.80 per person). Under State optional supplementation,

whether administered at the State or Federal level, States may treat an eligible couple as a single assistance unit or each individual as an assistance unit.

**Couples recognized as single assistance unit.** The 20 States applying this standard were Alaska, California, Hawaii, Idaho, Kentucky, Maine, Massachusetts, Montana, Nevada, New Jersey, New York, Oklahoma, Oregon, Pennsylvania, Rhode Island, South Dakota, Vermont, Washington, Wisconsin, and Wyoming. In Kentucky, this standard was applied to all living arrangements except caretaker arrangements, in which each eligible individual was treated as a single assistance unit.

**Individuals treated as single units in couple case.** The 20 States applying this standard were Alabama, Arizona, Colorado, Connecticut, Delaware, the District of Columbia, Florida, Illinois, Indiana, Iowa, Maryland, Michigan, Minnesota, Nebraska, New Hampshire, New Mexico, North Carolina, North Dakota, South Carolina, and Virginia. In Alabama, each eligible individual in a couple case was treated as a single assistance unit with a reduced payment level to reflect prorated needs. In Minnesota, each eligible individual in a case was treated as a single assistance unit with payment levels reflecting the number of individuals in the assistance household.

## Source of Funds for Administrative Costs

When a State elects Federal administration of its optional supplements, administrative costs are financed by the Federal Government. If a State chooses to administer its own optional supplements or supervise locally administered programs, all the administrative costs are financed from nonfederal sources—either from State funds, local funds, or a combination of State and local funds.

**Federal funds only.** The 16 States that relied entirely on Federal funding were California, Delaware, the District of Columbia, Hawaii, Maine, Massachusetts, Michigan, Montana, Nevada, New Jersey, New York, Pennsylvania, Rhode Island, Vermont, Washington, and Wisconsin. In Delaware the administrative costs for eligibility determination were financed from State funds; all other administrative costs were financed from Federal funds.

**Federal and State funds.** Iowa had both a federally administered and a State-administered program.

**State funds only.** The 18 States with this type of funding were Alabama, Alaska, Arizona, Connecticut, Florida, Idaho, Illinois, Indiana, Kentucky, Maryland, Nebraska, New Hampshire, New Mexico, Oklahoma, Oregon, South Carolina, South Dakota, and Wyoming.

**State and local funds.** In Colorado and Virginia the State provided 80 percent of the administrative funding and the locality contributed the remainder. In Minnesota the counties provided all the funds for administration except those for salaries, which were shared equally by the State and

<sup>4</sup> See "administering agency" for an explanation of the situation in Iowa.

county governments. In North Dakota the State and the county each provided half the administrative funding.

**Local funds only.** Only North Carolina relied solely on local funding.

### Source of Funds for Payments

States electing Federal administration of their programs are protected against the increased costs of both mandatory and optional supplementation by the "hold harmless" provision. Under this provision the amount paid by the State to the Department of Health, Education, and Welfare for supplementary payments made on behalf of its recipients for any fiscal year must not exceed the total amount of the State's share of assistance expenditures in calendar year 1972 under titles I, X, XIV, or XVI of the Social Security Act. This protection, however, applies only to payments that, on the average, do not exceed a State's "adjusted payment level." This level is the amount of cash payment an individual with no other income—imputed or otherwise—would have received in January 1972 under an approved State 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 nonfederal share of expenditures in calendar year 1972 for assistance under titles I, X, XIV, and XVI. 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. For States that do not come under the hold-harmless provision, the optional payments may be funded either from State or local funds or from a combination of State and local funds. States with State-administered programs have the same options as States that do not come under the hold-harmless provision.

**State funds only.** The 32 States having this type of funding were Alabama, Alaska, Arizona, Connecticut, Delaware, the District of Columbia, Florida, Hawaii, Idaho, Illinois, Indiana, Iowa, Kentucky, Maine, Maryland, Massachusetts, Michigan, Montana, Nebraska, Nevada, New Hampshire, New Mexico, Oklahoma, Oregon, Pennsylva-

nia, Rhode Island, South Carolina, South Dakota, Vermont, Washington, Wisconsin, and Wyoming.

**State and local funds.** Minnesota, North Carolina, and North Dakota each relied on a combination of funds—50 percent State and 50 percent local. In California the program was State-funded each year with a specified contribution from each county that increased annually according to a formula based on the change in modified assessed valuation. Colorado relied on 80 percent State and 20 percent local funds. In New Jersey the combination was 75 percent State and 25 percent local funds. In Virginia the combination was 62.5 percent State and 37.5 percent local funds. The mix of State and local funding in New York was based on the proportion for each district of all the State's aged, blind, and disabled recipients in 1972.

### Special-Need Supplementation

The Federal SSI program is designed to provide a minimum floor of income for basic needs and does not cover emergency needs<sup>5</sup> and circumstances generally classified as "special needs." As indicated in table 1, however, some States have elected to provide supplements for special needs either in lieu of or in addition to basic-need supplements. Special-need payments may be restricted to emergency situations and circumstances and/or may supplement the basic-need payments for recipients who require more money to live at the same standard as other recipients. These payments may be made on a one-time basis when required by emergencies such as fire, eviction, or housing repairs or on a monthly basis to cover recurring costs such as guide-dog maintenance, transportation, and telephone service. Most States provide for variations in living-arrangement costs by developing different basic-need payment standards; others have opted for special-need payments in these cases. Similarly, some States have disregarded income spent for such things as employment expenditures, special diets, and moving; others have provided supplements to cover expenses in these areas.

<sup>5</sup> An exception is the emergency advance payment (\$100 for individuals and \$200 for couples) available on a one-time basis when the initial application for SSI payments is made.