

State Supplementation Under SSI, 1975

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This article summarizes State supplementation activities under SSI for 1975. It discusses changes in the State programs that occurred during 1975 and presents some comparisons with data for 1974—the initial year of the SSI program. A slight shift occurred in the distribution of recipients by eligibility category for Federal and State supplementation from 1974 to 1975. During 1975 a few States changed from Federal administration to State administration of their mandatory supplementation programs while a few others initiated or expanded their optional supplementation programs. Several States also increased their supplements during the year.

AT THE CLOSE of the second full year of providing income support payments to needy aged, blind, and disabled persons under the supplemental security income (SSI) program the size of caseloads and amount of expenditures continued to grow. Some significant shifts, however, developed among all three eligibility categories. Although the aged continued to be the largest category, the rate of growth slowed down considerably. The disabled became the fastest-growing category, and the caseload for the blind experienced minor reductions.

RECIPIENTS OF STATE SUPPLEMENTATION

In December 1975, about 4.4 million persons received payments under the supplemental security income program. Of this total, approximately 2.4 million received only a Federal SSI payment, 1.5 million, both a Federal SSI payment and State supplementation, and less than 0.5 million, a State supplementary payment only (table 1). Of the nearly 2 million persons with State supplementation, more than 4 of every 5 received such payments through the Social Security Administration payment system on behalf of 32 States and slightly less than 1 of every 5 received pay-

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ments through 22 individual State payment systems.¹ The number of persons getting State supplements in December 1975 was 4 percent higher than the figure a year ago.

A slight shift occurred in the distribution of recipients by eligibility category between December 1975 and December 1974. The aged comprised 55 percent of the total caseload at the end of 1974, and 52 percent at the end of 1975 (table 2). The disabled, on the other hand, represented 43 percent of the overall caseload at the end of 1974 but increased to 46 percent by the close of 1975. The caseload for the blind dropped from 20 percent in 1974 to 18 percent at the end of 1975.

In 29 States and the District of Columbia, fewer persons received State supplements in December 1975 than in January 1975; in 19 States, however, more persons received these supplements (table 3). Generally, a large percentage of the total SSI caseload received supplements in States with a comprehensive supplementation program. States with limited programs had a small percentage who received supplementary payments (chart 1). These payments were not made by Texas because of a constitutional barrier prohibiting such payments. Supplementation data for West Virginia were not reported.

Federally Administered Supplementation

The number of persons receiving federally administered supplements totaled 1,684,000 in December 1975—82,600 or 5 percent above the number a year ago. The disabled replaced the aged as the fastest-growing category under federally administered supplementation. During 1974, the caseloads for the aged and disabled rose by 11 percent and 6 percent, respectively. In 1975, however, the caseload for the disabled increased 10 percent and that for the aged declined 3 percent.

¹ These States include five that had federally administered mandatory and State administered optional supplementation.

TABLE 1 — Number and percentage distribution of persons receiving payments under the SSI program, by type of payment and State, at end of December 1975

State	Number				Percentage distribution			
	Total	Federal SSI payment only	Federal SSI payment and State supplementation	State supplementary payments only	Total	Federal SSI payment only	Federal SSI payment and State supplementation	State supplementary payments only
Total	4 366 040	2 381,686	1,511 520	472 834	100 0	54 6	34 6	10 8
Alabama ¹	151 532	128,302	18 216	5,014	100 0	84 7	12 0	3 3
Alaska ¹	3 931	603	2 440	888	100 0	15 3	62 1	22 6
Arizona ¹	28 459	26 968	1 277	214	100 0	94 8	4 5	8 8
Arkansas	88,450	80 637	7,388	420	100 0	91 2	8 4	5 5
California	665 521	19 462	415 008	231 051	100 0	2 9	62 4	34 7
Colorado ¹	41 896	10 767	24 658	6,470	100 0	25 7	58 9	15 4
Connecticut ^{1,2}	27 293	16 493	6 800	4 000	100 0	60 4	24 9	14 7
Delaware	6 977	4,854	1 812	311	100 0	69 6	26 0	4 4
District of Columbia	15,743	13 764	1 826	153	100 0	87 4	11 6	1 0
Florida ³	158 676	156 200	2,133	4 343	100 0	98 4	1 3	2 2
Georgia	165 432	157 998	5,769	1 665	100 0	95 5	3 5	1 0
Hawaii	9 564	208	8 457	899	100 0	2 2	88 4	9 4
Idaho ^{1,2}	9 091	6 107	2 684	300	100 0	67 2	29 5	3 3
Illinois ¹	147,761	102 573	34 898	10 290	100 0	69 4	23 6	7 0
Indiana	44 315	42 312	1 387	616	100 0	96 5	3 1	1 4
Iowa	28 814	26,653	2 794	367	100 0	89 0	9 7	1 3
Kansas	23 968	23 080	797	91	100 0	96 3	3 3	4 4
Kentucky ¹	99 404	90,392	7 808	1 204	100 0	90 9	7 8	1 2
Louisiana	101,627	137 496	12,312	1 819	100 0	90 7	8 1	1 2
Maine	24 754	1 236	18,180	5,338	100 0	5 0	73 4	21 6
Maryland ¹	48 529	46,912	2 259	358	100 0	94 6	4 6	7 7
Massachusetts	132 278	3 484	75 339	53 455	100 0	2 6	87 0	40 4
Michigan	119 856	7 159	99 202	13 495	100 0	6 0	82 8	11 3
Minnesota ¹	40 039	34 179	5 060	800	100 0	85 4	12 6	2 0
Mississippi	125 068	120 039	4 416	613	100 0	96 0	3 5	5 5
Missouri ¹	114 263	61 201	39 627	13 435	100 0	53 6	34 7	11 8
Montana	8 406	7,854	468	84	100 0	93 4	5 6	1 0
Nebraska ¹	17 168	11 782	4,599	787	100 0	68 6	26 8	4 6
Nevada	6 181	2 008	2 916	1,257	100 0	32 5	47 2	20 3
New Hampshire ^{1,2}	7,471	1,164	1,407	1 900	100 0	50 7	18 8	25 4
New Jersey	61 301	27 150	46,270	7,881	100 0	33 4	56 9	9 7
New Mexico ¹	26 811	20 594	20 594	17	100 0	99 9	1 7	1 1
New York	403 077	21 654	312 670	68 748	100 0	5 4	77 6	17 1
North Carolina ¹	151 942	141 868	8 841	1 433	100 0	93 2	5 8	9 9
North Dakota ¹	8 011	7,554	445	12	100 0	94 3	5 6	1 1
Ohio	131,872	128 063	2 860	949	100 0	97 1	2 2	7 7
Oklahoma ¹	86 450	19 835	70 273	2 342	100 0	16 0	81 3	2 7
Oregon ¹	28 462	8 064	17 954	2,444	100 0	28 3	63 1	8 6
Pennsylvania	147,929	10,082	136,577	1 270	100 0	6 8	92 3	9 9
Rhode Island	16,190	1 463	11,716	3 016	100 0	9 0	72 3	18 6
South Carolina ^{1,2}	82 379	81 188	1,193	92	100 0	98 6	1 4	1 0
South Dakota ^{1,2}	9 058	8 793	173	92	100 0	97 1	1 9	1 0
Tennessee	138 673	136,948	1 375	350	100 0	98 8	1 0	2 2
Texas ¹	280 029	280 029	280 029	280 029	100 0	100 0	100 0	100 0
Utah ¹	9 339	9 090	249	249	100 0	97 3	2 7	2 7
Vermont	9 249	401	7,283	1,565	100 0	4 3	78 7	16 9
Virginia ¹	77 866	7,751	1 715	480	100 0	97 6	2 2	5 5
Washington	52 967	6 212	42 432	4 323	100 0	11 7	80 1	8 2
West Virginia ¹	43,641	43,641	43,641	43,641	100 0	100 0	100 0	100 0
Wisconsin	65 976	8 132	37,504	20 340	100 0	12 3	56 8	30 8
Wyoming	2 547	2 489	48	10	100 0	97 7	1 9	4 4

¹ State administered programs

² Partially estimated

³ Federally administered mandatory and State-administered optional supplementation

⁴ Federally administered supplementation only, no persons with State

administered supplementation only

⁵ Federally administered supplementation only data not available for State administered supplementation only

⁶ State constitutional barrier prohibits State supplementation

Of the 26 States² with federally administered supplementation programs in 1975, 14 experienced gains in their caseloads totaling 102,000 for the year. In the remaining 12 States, the number of persons receiving federally administered supplements declined by 45,400.

The majority of the States had larger numbers

* This group excludes one State that changed to State administration and five States with federally administered mandatory supplementation and State-administered optional supplementation.

receiving Federal SSI payments than State supplements. In addition, a large percentage of the total SSI caseload in most States received only a Federal SSI payment. Substantial proportions of the total caseload received a State supplement in 12 States (table 1). Since the scope of coverage for supplementation programs was broad in these States, some persons who were not eligible for the basic SSI payment because of excess income qualified for only a State supplementary payment.

Nevada, which had the lowest percentage of State supplementation cases among the 12 States, did not provide optional payments to the disabled. That State also did not have aid to the permanently and totally disabled (APTD) under the former public assistance programs. If the number of disabled who received only an SSI payment are excluded from the total, the percentage receiving State supplements in Nevada increases from 67.5 to 98.3. In Washington, where a relatively large proportion of the caseload received a Federal SSI payment only, payment levels varied according to geographical areas. As a result, some persons may have been ineligible for State supplementation because the Federal SSI payment was higher than the State payment level in their area.

Wisconsin, too, had a relatively large proportion of its caseload receiving only a Federal SSI payment, in this case reflecting the fact that the State had a higher percentage of its caseload in Medicaid facilities than did the others in this group of 12 States and thus a larger percentage was eligible for the Federal payment (\$25) only.

In eight of the 12 States the rate of growth in the number who received federally administered State supplements was greater than that for persons receiving Federal SSI payments. Compared with the 1974 rate, however, the overall rate of growth and the growth rate for each category were consistently smaller for all 12 States. Wisconsin, for example, had the largest increase (88 percent) in its supplementation caseload in 1974, but experienced a significantly lower rise (7 percent) in 1975. Between 1974 and 1975, similar reductions in the rate of growth occurred among all 12 States.

For 19 States, supplementary payments were limited to selected groups of recipients. Five of these States—Delaware, District of Columbia, Iowa, Montana, and New Jersey—provided supplements to selected groups or categories of recipients. In New Jersey a much higher percentage of the total caseload received State supplementation than in the other four States because higher payment levels were established to include the broader living-arrangement classifications, which resulted in a much larger group with eligibility for State supplementation. Nine States—Arkansas, Georgia, Indiana, Kansas, Louisiana,

TABLE 2—Number, percentage distribution, and percentage increase of persons receiving State supplementation, by reason for eligibility and type of payment, January and December 1975

Reason for eligibility	Number		Percentage distribution		Percentage increase
	January 1975	December 1975	January 1975	December 1975	
Total	1 943 015	1 987 409	100 0	100 0	2 7
Federally administered	1 637 201	1 684 018	84 3	84 7	2 9
State administered	305 814	303 391	15 7	15 3	- 8
Aged	1 061 536	1 028 596	54 6	51 8	-3 1
Federally administered	866 104	843 917	52 9	50 1	-2 6
State-administered	195,432	184 679	63 9	60 9	-5 5
Blind	38 413	36 309	2 0	1 8	-5 5
Federally administered	32 552	31 376	2 0	1 9	-3 6
State-administered	7 861	4 933	1 9	1 6	-15 8
Disabled	843 066	922 229	43 4	46 4	9 4
Federally administered	738 545	808 725	37 9	40 8	9 5
State-administered	104 521	113 504	34 2	37 4	8 6

¹ Represents quarterly data for January-March

Mississippi, Ohio, Tennessee, and Wyoming—provided mandatory supplementation to recipients who transferred from the former public assistance programs. Five States—Florida, Maryland, Minnesota, South Carolina, and South Dakota—had Federal administration of their optional programs during 1975. These States provided supplements to persons with certain living arrangements for which the State had previously established payment levels higher than the Federal payment levels.

As expected, in the 19 States, most recipients received either a Federal SSI payment only or a combined Federal SSI payment and a State supplementary payment (table 1). In addition, since optional supplementation was provided only to selected groups of recipients, few who were eligible for a Federal SSI payment were eligible for a State supplement.

State-Administered Supplementation

Persons receiving State-administered supplementary payments totaled 303,400 in December 1975. During 1975, the caseload for State-administered supplementation dropped about 1 percent and 2,400 fewer persons were receiving State supplements in December than in January. The caseload for the blind and aged also declined in 1975 by 16 percent and 6 percent, respectively, but the number of disabled persons rose 9 percent.

TABLE 3 —Number and percentage increase of persons receiving supplementary and/or Federal SSI payments, by State, January and December 1975¹

State	Supplementary payments			Federal SSI payments		
	Number		Percentage increase	Number		Percentage increase
	January 1975	December 1975		January 1975	December 1975	
Total	1,943,015	1,987,409	2.3	3,701,265	3,900,582	5.4
Alabama	28,991	23,230	-19.9	141,745	146,518	3.4
Alaska	3,979	3,328	-16.4	3,013	3,043	1.0
Arizona	1,601	1,491	-6.9	26,324	28,245	7.3
Arkansas	16,852	7,813	-53.6	84,893	88,025	3.7
California	596,904	646,069	8.2	419,262	434,470	3.6
Colorado	32,195	31,128	-3.3	35,967	35,425	-1.5
Connecticut	9,980	9,741	-2.4	21,226	23,293	9.7
Delaware	2,869	2,123	-26.0	6,103	6,696	9.2
District of Columbia	2,591	1,979	-23.6	15,467	15,590	.8
Florida	8,335	5,972	-28.4	143,016	163,767	14.5
Georgia	12,246	7,434	-39.3	154,570	165,432	7.0
Hawaii	8,307	9,356	12.6	7,805	8,655	11.0
Idaho	3,082	2,984	-3.2	8,756	8,791	.4
Illinois	36,419	45,188	24.1	133,183	137,471	3.2
Indiana	3,722	2,003	-46.2	41,863	43,699	4.4
Iowa	22,078	3,161	-9.0	27,078	28,447	5.1
Kansas	1,372	888	-35.3	23,448	23,877	1.8
Kentucky	10,291	9,012	-12.4	95,819	98,200	2.5
Louisiana	24,190	14,131	-41.6	142,119	149,808	5.4
Maine	22,076	23,518	6.5	19,045	19,416	1.9
Maryland	3,400	2,617	-23.0	45,233	48,171	6.5
Massachusetts	122,305	128,794	5.3	75,054	78,823	5.0
Michigan	104,680	112,697	7.6	100,732	106,361	5.6
Minnesota	8,410	5,860	-30.3	37,970	39,239	3.3
Mississippi	10,496	7,029	-52.1	121,616	124,455	2.3
Missouri	61,520	53,062	-13.8	104,448	100,828	-3.5
Montana	444	552	24.3	7,913	8,322	5.2
Nebraska	5,435	5,386	-.9	16,397	16,381	-.1
Nevada	3,717	4,173	12.3	4,255	4,924	14.6
New Hampshire	3,210	3,307	3.0	7,244	5,571	6.2
New Jersey	60,523	54,151	-10.5	66,738	73,420	10.0
New Mexico	43	17	(²)	24,593	26,594	8.1
New York	360,979	381,425	5.7	323,358	334,329	3.4
North Carolina	9,440	10,274	8.8	135,678	150,509	10.9
North Dakota	610	457	-25.1	8,033	7,993	-.4
Ohio	6,130	3,809	-37.9	124,141	130,923	5.5
Oklahoma	71,256	72,615	1.9	81,741	84,108	2.8
Oregon	19,369	20,398	5.3	25,112	25,997	3.5
Pennsylvania	128,471	137,847	7.3	136,257	146,659	7.6
Rhode Island	14,136	14,732	4.2	12,522	13,179	5.2
South Carolina	1,656	1,193	-28.0	74,187	82,379	11.0
South Dakota	916	763	-16.7	8,602	9,008	4.7
Tennessee	3,084	1,725	-44.1	130,835	138,323	5.7
Texas	(³) 4,480	(³) 4,249	-.5	261,427	280,029	7.1
Utah	480	249	-48.1	9,237	9,339	1.1
Vermont	8,256	8,848	7.2	7,427	7,684	3.5
Virginia	3,166	2,115	-33.2	65,912	77,466	17.5
Washington	46,280	46,755	1.0	48,451	48,644	.4
West Virginia	1,198	(⁴)	(⁴)	39,897	43,641	9.4
Wisconsin	54,274	57,844	6.6	41,999	45,636	8.6
Wyoming	121	58	-52.1	2,459	2,537	3.2

¹ For supplementary payments, represents all persons receiving both Federal SSI payments and State supplementation and those with State supplementation only. Includes 109 cases in January and 120 cases in December not distributed by State. For Federal SSI payments, represents all persons with such payments, whether or not in combination with federally administered State supplementation, includes 95 cases in January and 256 cases in December not distributed by State.

² State-administered program.

³ Federally administered mandatory and State-administered optional supplementation.

⁴ Changed from Federal administration to State administration of mandatory supplementation program in October 1975 for Minnesota, in July 1975 for South Carolina and Utah.

⁵ Not computed on base of less than 50.

⁶ State constitutional barrier prohibits State supplementation.

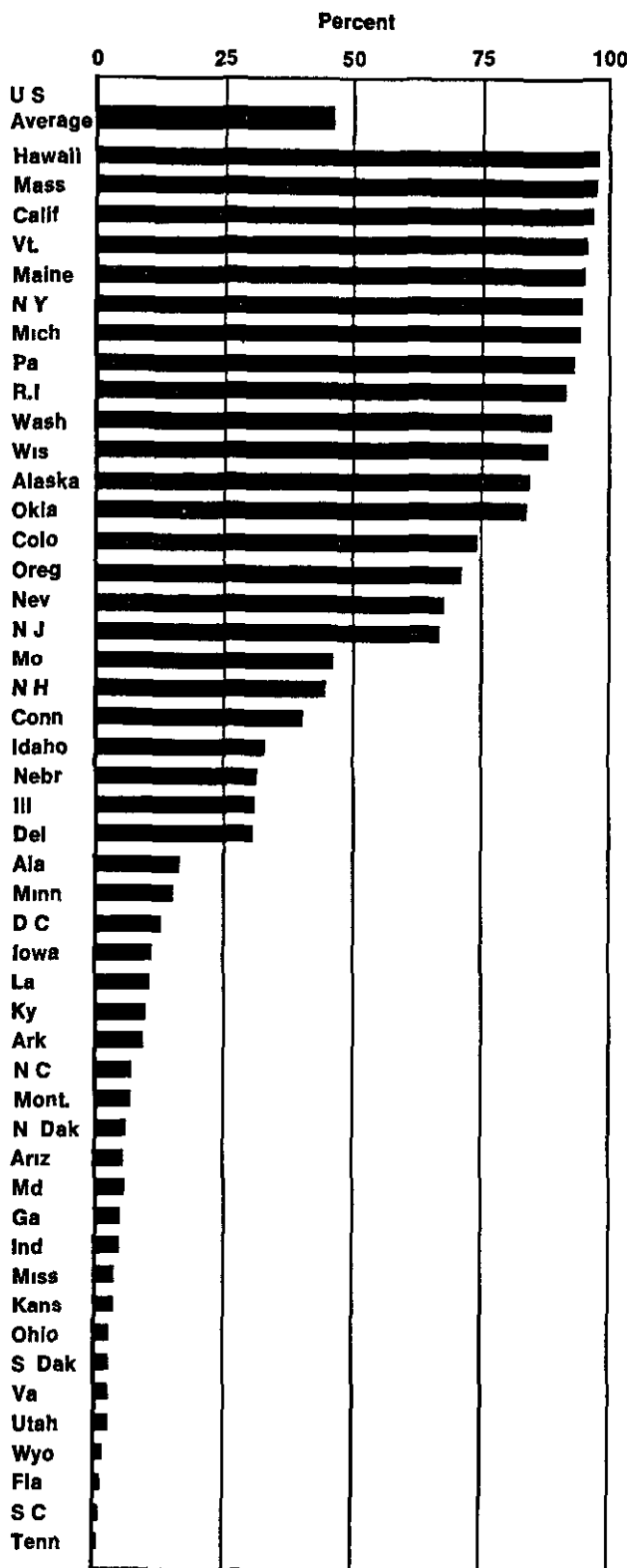
⁷ Data not available.

The overall reduction in the total caseload resulted primarily from the 8-percent cost-of-living increase in Federal SSI payments in July. That increase raised the basic Federal SSI payment above the State supplementary payment level, with the result that some persons no longer required supplementation.

Among the 17 States that reported for the entire year, 11 States experienced decreases in their

supplementation caseload ranging from 33 percent to 1 percent. The percentage declines were generally larger for States with limited supplementation programs. This difference was to be expected because in these States only a small number of persons who were eligible for a Federal SSI payment were also eligible for an optional State supplement. In addition, very few persons who were ineligible for a Federal SSI

CHART 1—Percent of total SSI caseload receiving State supplementary payments, by State, December 1975



payment because of excess income were eligible for a State supplementary payment

Among the five States that showed increases in the number of persons who received State-administered supplements during the year, nearly all experienced significantly greater growth rates in the number receiving only a State supplement than in the number with both a Federal SSI and a State supplementary payment. In these States, a large number of persons who were ineligible for a Federal SSI payment because of their income qualified for a State supplement only.

Illinois, which showed the largest gain in the number of persons receiving State supplements, reclassified some of its Medicaid facilities to non-medical institutions in April. As a result of this reclassification, substantial numbers of persons in whose behalf only medical vendor payments were made under Medicaid became eligible for a money payment under the State optional supplementary payment program. These payments were provided to cover the cost of care in a nonmedical care facility.

State-administered supplementation, like the federally administered, was not provided uniformly. Alaska, Colorado, Oklahoma, and Oregon continued their extensive supplementation programs, with the majority of recipients receiving Federal SSI payments also receiving State supplements. Eleven States (Alabama, Arizona, Connecticut, Idaho, Kentucky, Missouri, Nebraska, New Hampshire, North Carolina, North Dakota, and Virginia) still limited their optional payments to selected groups or categories of recipients, and a large proportion of recipients in these States therefore received only a Federal SSI payment. Illinois continued to use an individual budgeting process to determine the amount of State payment for both basic and special needs, regardless of living arrangements. New Mexico and Utah continued to limit State supplements to mandatory payments only.

SUPPLEMENTATION EXPENDITURES

Expenditures under the SSI program totaled \$5.9 billion in 1975—\$582.1 million above the 1974 amount (table 4). Of the total amount expended in 1975, \$4.3 billion or 73 percent were for Federal SSI payments and \$1.6 billion or 27 percent

TABLE 4—Total amount, percentage distribution, and percentage increase of payments under the SSI program, by type of payment, 1974 and 1975

Type of payment	Amount of payments (in millions)		Percentage distribution		Percentage increase
	1974	1975	1974	1975	
Total	\$ 296	\$ 879	100 0	100 0	11 0
Federal SSI State supplementation ¹	3 872	4,314	73 1	73 4	11 4
Federally administered ¹	1 424	1 565	26 9	26 6	9 9
State administered	1,276	1 403	89 6	89 6	9 9
	148	162	10 4	10 4	3

¹ Includes expenditures that were reimbursed to California, Hawaii, Massachusetts, Nevada, New York, and Wisconsin under the "hold harmless" provision of the SSI legislation—\$80 5 million in fiscal year 1974 and \$210 6 million in fiscal year 1975.

represented State supplementary payments^a Federally administered supplementation amounted to \$1 4 billion and accounted for 90 percent of the total expenditures for State supplementation in 1975, State-administered supplementation amounted to \$162 2 million or 10 percent.

Although the national caseload for State supplementation experienced a 2-percent increase during 1975, the monthly amount expended for State supplements rose \$9 8 million or 8 percent. Total expenditures were \$123 1 million in January and \$132 9 million in December (table 5).

Trends were difficult to establish because of somewhat erratic variations in monthly expenditure data (table 6). These variations were due in part to the inclusion of retroactive payment amounts, State changes in payment levels, increases in social security benefits, and rises in Federal SSI payment levels. Slight reductions in expenditures for supplementary payments in February and in May resulted from decreases in the number of persons receiving such payments. The June reduction in supplementation expenditures was attributable to the revalidation of SSI payment records that generated some adjustments in federally administered supplementary payments. In July, the 8-percent cost-of-living increase in Federal SSI and social security benefits resulted in still another monthly reduction in

^a These data are somewhat inflated because of the inclusion of some expenditures for which Federal reimbursement is made under the "hold harmless" provision. Under this provision, some States with federally administered supplementation programs could receive Federal reimbursement for some money payment expenditures above the State's share of public assistance expenditures for calendar year 1972.

TABLE 5—Amount and percentage increase of State supplementation, by reason for eligibility and type of payment, January and December 1975

Reason for eligibility and type of payment	Amount of payments (in thousands)		Percentage increase
	January 1975	December 1975	
Total	\$123 093	\$132 879	8 0
Federally administered	111 345	119 076	6 9
State-administered	11 748	13,803	17 5
Aged	61 710	63,242	2 5
Federally administered	54 720	56,017	2 4
State-administered	6,990	7 225	3 4
Blind	3 156	3 261	3 3
Federally administered	2,835	2 939	4 4
State administered	321	302	-5 9
Disabled	58,228	67 073	15 2
Federally administered	53 791	60 100	11 7
State-administered	4,437	6 273	41 4

¹ Includes \$3,000 not distributed by reason for eligibility.

expenditures for supplementary payments. Expenditures dropped again in September. They had been substantially higher in August because of retroactive payments in California that resulted from an increase in the payment standard back to July. Still another reduction in expenditures for supplementary payments occurred in December. Expenditures for November had included a large amount of retroactive payments.

TABLE 6—Monthly expenditures for State supplementation, January–December 1975

Month	Total	Federal	State
Monthly amount			
Total ¹ (in thousands) ---	\$1,564 696	\$1 402 534	\$162,152
January	123 093	111 345	11 748
February	123 001	111 283	11 718
March	130,932	118 613	12 319
April	133 730	119 151	14 579
May	133 275	118 618	14,657
June	128 491	114 158	14,333
July	122 566	108 782	13 784
August	135 053	121,133	13 900
September	133 321	119 691	13,730
October	135 966	122 178	13,788
November	137 813	124 023	13 790
December	132 879	119 076	13,803
Percentage increase from preceding month			
February	-0 1	-0 1	-0 3
March	6 5	6 0	5 1
April	2 1	5	18 4
May	-3	-4	5
June	-3 6	-3 8	-2 2
July	-4 6	-4 7	-3 8
August	10 2	11 4	8
September	-1 3	-1 3	-1 2
October	2 0	2 2	4
November	1 4	1 5	(²)
December	-3 6	-4 0	1

¹ Includes adjustments for overpayments, refunds, returned checks, and special disbursements for underpayments.

² Less than 0 1 percent.

for Michigan, which also raised its payment standards retroactively to July

For the Nation, the average monthly State supplementary payment rose slightly during the year—from \$63 35 in January to \$66 87 in December. At the beginning of the year, monthly payments ranged from a low of \$14 to a high of \$114, compared with \$4 and \$128 as the year ended.

Federally Administered Payments

In 1975, federally administered payments amounted to \$14 billion—about \$127 million or 10 percent above the total for 1974. This net annual rise resulted from increases in expenditures in 13 States that were partially offset by the declines in 14 States—including 10 that provided only mandatory supplements.

At the beginning of the year, federally administered payments totaled \$1113 million and averaged \$68 per recipient (table 7). By year end, total payments (\$1191 million) were up 7 percent and averaged \$71 per recipient. Only four States—California, Michigan, Montana, and Nevada—had larger expenditures for State supplementary payments in December than in January. California alone, where monthly expenditures for State supplements were \$102 million higher at the end of 1975 than at the beginning, more than accounted for the overall \$98 million increase during the year,⁴ in addition to the significant rise in the number of persons receiving supplementary payments, standards in that State were raised during the year.

During 1975, all three eligibility categories experienced increases in expenditures for supplementary payments. The greatest growth occurred in supplements to disabled persons, which showed a rise of \$63 million or 12 percent. In December, supplementation expenditures for the aged and blind were up 4 percent and 2 percent, respectively, from the January 1975 amount.

State-Administered Payments

A total of \$1622 million was expended for State-administered supplements in 1975. This figure represented an increase of \$138 million above the 1974 amount. In January 1975, expen-

ditures for supplementary payments totaled \$117 million. By December, total expenditures had increased 18 percent and amounted to \$138 million.

Of the 17 States reporting for the entire year, six States—Alaska, Colorado, Illinois, New

TABLE 7—Total and average amount of State supplementation under federally administered and State-administered programs, by State, January and December 1975

State	January 1975		December 1975	
	Total amount (in thous. sands)	Average payment	Total amount (in thous. sands)	Average payment
Total ¹	\$123 093	\$63 35	\$132 879	\$66 87
Federally administered programs	111 345	68 02	119 076	70 71
State-administered programs	11 748	38 42	13,803	45 49
Alabama ²	1 127	38 86	830	35 96
Alaska ³	178	44 78	261	78 47
Arizona ²	139	86 81	113	76 06
Arkansas	234	14 14	105	13 50
California ⁴	56 352	95 01	66,505	102 94
Colorado ⁵	1 220	37 88	1,352	43 44
Connecticut ²	794	72 50	1,685	70 31
Delaware	102	33 71	82	38 60
District of Columbia	77	29 50	50	25 28
Florida ²	350	44 38	186	31 00
Georgia	332	26 88	199	26 79
Hawaii	401	54 24	388	41 51
Idaho ²	84	27 10	143	49 02
Illinois ²	1 465	38 97	3 042	67 32
Indiana	130	33 88	64	31 87
Iowa	231	78 98	195	61 73
Kansas	84	55 69	43	46 87
Kentucky ²	621	60 38	822	91 18
Louisiana	72	22 86	353	25 00
Maine	578	26 67	535	22 74
Maryland ^{2,4}	184	54 29	109	41 63
Massachusetts	13 296	110 12	12 050	93 56
Michigan	4 255	40 87	4,958	43 99
Minnesota ¹	413	51 62	367	62 66
Mississippi	179	16 30	89	13 65
Missouri ¹	2 369	38 51	1,875	35 33
Montana	32	66 97	44	80 59
Nebraska ²	211	44 29	232	43 14
Nevada	163	44 69	241	57 85
New Hampshire ²	132	40 97	166	50 12
New Jersey	2 102	38 01	1 713	31 63
New Mexico ²	(9)	(6)	(6)	(6)
New York	22 125	62 03	21 750	57 02
North Carolina ²	1 083	114 76	1,313	127 85
North Dakota ²	15	24 68	11	23 82
Ohio	298	46 24	174	40 77
Oklahoma ²	1 400	20 35	1,875	20 82
Oregon ²	533	27 51	434	21 27
Pennsylvania	3 092	24 51	3 104	22 52
Rhode Island	588	41 32	506	34 37
South Carolina ²	88	44 00	75	62 60
South Dakota ²	42	42 58	37	48 49
Tennessee	98	31 54	58	33 43
Texas ²	10	19 37	1	4 03
Utah ²	384	46 34	380	42 97
Vermont	112	35 40	92	45 52
Virginia ²	1 267	27 16	1,446	30 92
Washington	32	20 94	(9)	(9)
West Virginia ²	3,426	89 07	3 793	60 57
Wisconsin	6	48 71	2	26 67
Wyoming				

¹ Includes \$22,000 in January and \$43,000 in December not distributed by State.

² State-administered program.

³ Federally administered mandatory and State administered optional supplementation.

⁴ Excludes data for optional program.

⁵ Changed from Federal administration to State administration.

⁶ Not computed on base of less than \$500.

⁷ Initiated State-administered optional program in February 1975.

⁸ State constitutional barrier prohibits supplementation.

⁹ Data not available.

⁴ See footnote 3, page 17.

TABLE 8—Summary of State changes in supplementation programs, 1975

State	Month of change in—			July SSI increase disregarded
	Type of administration	Scope of coverage	Level of State payment	
Alaska			August, all persons	Fully
California			August, cost-of living	
Idaho			July, all persons August, persons in shelter homes	
Illinois		April, reclassification of former Medicaid recipients		Limited, blind only
Iowa			March, persons in domiciliary-care facilities	Limited, excludes persons in boarding homes
Kentucky				
Maine				Limited, mandatory only
Maryland				
Michigan			November, all persons	
Minnesota	October, changed to State-administered mandatory supplementation	March, reclassification of former Medicaid recipients		
Nebraska			July, all persons	
New York			September, cost-of living	
North Carolina			July, blind persons in rest homes	Limited, 50 percent of SSI increase
Blind - Public welfare			January and July, aged and disabled in domiciliary-care and personal-care facilities	
Oregon				
Oklahoma			March, all persons except those in nursing homes	Fully
Pennsylvania				Limited, 50 percent of SSI increase
Rhode Island				
South Carolina	July, changed to State administered mandatory supplementation			
South Dakota		February, initiated State administered optional program		Limited, mandatory only
Utah	July, changed to State-administered mandatory supplementation			
Vermont				Fully
Washington			July, all persons	
Wisconsin			March, all persons	

Hampshire, North Carolina, and Oklahoma—expended more for supplementary payments in December than January. Alaska, North Carolina, and Oklahoma raised their State payment levels during the year. North Carolina and Oklahoma also experienced increases in the number of persons receiving supplementation from January to December, as did New Hampshire and Illinois.

During 1975, supplementation expenditures for the disabled and aged rose 41 percent and 3 percent, respectively, and those for the blind declined 6 percent. The significant rise in expenditures for the disabled was due in part to an overall 9-percent increase in the caseload for that category. Illinois, which experienced a substantial rise in its disabled caseload during the year, also recorded an increase in supplementary payment expenditures for disabled persons that more than doubled from January to December.

SUMMARY

Minnesota, South Carolina, and Utah changed from Federal administration to State adminis-

tration of their mandatory supplementation programs during the year (table 8). The change in administration occurred in July for South Carolina and Utah, in October for Minnesota.

A few States also initiated or expanded their optional supplementation programs during the year. Illinois and Minnesota expanded their programs by reclassifying some Medicaid facilities to nonmedical institutions in April and March, respectively. This expansion resulted in larger numbers of persons becoming eligible for State supplements under the optional supplementation programs. In February, South Dakota initiated an optional program for aged and disabled persons residing in adult foster-care facilities and supervised personal-care facilities.

Some States elected to raise the incomes of persons receiving payments under the SSI program during 1975. A total of nine States disregarded some or all of the increase in SSI payments. Three of these States—Missouri, Pennsylvania, and Vermont—provided a full “pass-along” of the July 1975 SSI increase. The other six States—Iowa, Maine, Maryland, Rhode Is-

land, Oregon, and South Dakota—elected to adopt a limited pass-along of the July increase.

Eleven States elected to increase recipients' incomes by raising the State payment levels. Two of these States raised their payment levels twice during the year: Idaho in January for all persons and in August for persons in shelter homes; North Carolina in January and July for aged and disabled persons in domiciliary-care and personal-care facilities and in July for blind persons in

rest homes. For the remaining nine States, increases were as follows: (1) In March—Kentucky, for persons in domiciliary-care and personal-care facilities, Oklahoma, for all persons except those residing in nursing homes, and Wisconsin, for all persons, (2) in July—Nebraska and Washington, for all persons, (3) in August—Alaska and California, for all persons, (4) in September—New York, for all persons, and (5) in November (retroactive to July)—Michigan, for all persons

Notes and Brief Reports

Legislation in 1976*

A number of bills signed into law by the President in 1976 either affect or are of specific interest to the Social Security Administration. A review of some of the year's legislation follows¹.

The Tax Reform Act of 1976 (P.L. 94-455) — This law provides that any State (or political subdivision) now may use the social security number in administering any tax, general public assistance, driver's license, or motor vehicle registration law within its jurisdiction in order to establish the identity of an individual affected by such law. The individual may be requested to furnish the number.

The law makes it a misdemeanor to willfully, knowingly, and deceitfully use a social security number for any purpose. Until the enactment of P.L. 94-455 the misdemeanor applied only in cases involving obtaining or increasing benefit amounts under a social security or other federally funded program.

In another provision of this law, services performed by an individual on a boat used in fishing are excluded as "employment" for social security coverage if (a) the individual, by arrangement with the owner or operator, receives part of the catch or proceeds from the sale of that catch as the sole remuneration for his services and (b) the operating crew is normally fewer than 10 persons.

* Prepared in the Office of Research and Statistics. Includes material adapted from Legislative Report No. 11, Office of Program Evaluation and Planning.

¹ See also *Social Security Bulletin*, October 1976, page 1.

The remuneration will be treated as net earnings from self-employment for taxable years ending after December 31, 1971. Remuneration for such services that was reported as wages in the past will be considered to have been reported correctly.

Social security coverage of self-employed individuals living outside the United States has been modified by this legislation. For a self-employed US citizen who is a bona fide resident of a foreign country for a full taxable year, or who is physically present in a foreign country for 510 days in a consecutive 18-month period and not residing in the United States for a full taxable year, the first \$15,000 earned outside the United States will be excluded from gross income for social security purposes for taxable years after December 31, 1975. An individual may elect not to have the exclusion apply to him in any year in which it would otherwise apply and all subsequent years. Consent of the Secretary of the Treasury is needed to revoke such election.

Under this law, the earned-income credit provision has been extended through 1977. This provision permits a low-income worker with a child who can be claimed as a dependent for Federal income tax purposes to receive a tax credit equal to 10 percent of the first \$4,000 of earned income, reduced by 10 percent of the adjusted gross income (or, if greater, the earned income) in excess of \$4,000.

Public Law 94-563 — Under this law, for individuals employed by nonprofit organizations that have failed to file a certificate electing coverage but paid the social security contributions, the organization will be deemed to have filed such certificate if no refund or credit of social security taxes was made before September 9, 1976.