

August 11, 1976

Office of the White House Press Secretary

NOTICE TO THE PRESS

The President has signed H.R. 14514 - Cashout of food stamps for Supplemental Security Income (SSI) beneficiaries in California. This bill allows California to remain a food stamp "cashout" State if it continues to make cost-of-living adjustments in its State SSI supplementary payments, passes through to SSI beneficiaries a specified part of the Federal cost-of-living increase in SSI payments in 1976, and passes through all future Federal cost-of-living increases.

Under current law, to be eligible for a "cashout", a State must be a recipient of Federal "hold-harmless" payments. Hold-harmless payments, designed to protect States from an increase in State costs over those incurred in 1972, are associated with the Federal requirement to assure that beneficiaries on the State rolls prior to 1974 would receive no less under the SSI program than under the former State public assistance program of aid to the aged, blind and disabled.

H.R. 14514 will permit California to retain its "cashout" status as long as it meets the following conditions:

1. California will have to continue the State law in effect June 1, 1976, which requires periodic State cost-of-living increases under the State's supplementary payments program.
2. California will also have to pass through to SSI recipients the full amount of all future cost-of-living (CPI) increases in the Federal SSI payment, in addition to the increases required under State law.
3. For this calendar year, California could attribute to the July State supplement level increase \$7 of the \$10 per month CPI increase in the Federal SSI payment to individuals (proportionately more for couples) which became effective in July 1976, thereby reducing the State costs for supplementation.

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