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Trump, House Republican Cuts to SSI Would Harm Children With Disabilities

By Kathleen Romig and Guillermo Herrera

President Trump and House Republicans have proposed cutting Supplemental Security Income (SSI) benefits for poor children with disabilities, which would harm some of America's most vulnerable children and their families. The Trump proposal would cut SSI by more than \$8 billion over the next decade, shrinking benefits for roughly a quarter of a million children with disabilities by between 38 and 66 percent. It would also increase SSI's administrative costs and improper payments.

SSI provides monthly benefits to low-income seniors and people with disabilities, including children; it is the only federal income support targeted to families caring for children with disabilities and reaches only the lowest-income and most severely impaired children.¹ These children live with conditions such as Down syndrome, cerebral palsy, autism, intellectual disability, and blindness. Their families face higher costs, more demands on their time, and more insecurity than other families. About 1.2 million children with disabilities receive SSI benefits averaging \$650 a month. Their families, roughly one-third of whom live below the poverty line, use their benefits for basic necessities like food and housing as well as to cover disability-related expenses like therapies or home modifications, which health insurance often doesn't cover.

Both the Trump budget and the House Budget Committee's 2018 budget resolution cut children's SSI benefits on a sliding scale if another member of the family also receives SSI. The Trump proposal would cut the first affected child's benefit by 38 percent, the second child's by 47 percent, and any additional children's benefits by progressively larger amounts. These cuts would hurt extremely vulnerable families, pushing many into — or deeper into — poverty.² Families caring for children with disabilities, especially multiple children with disabilities, face severe hardships and often struggle to meet basic needs like rent, food, and health care; these cuts would make it even harder for them to make ends meet.

¹ Kathleen Romig, *SSI: A Lifeline for Children with Disabilities*, CBPP, May 11, 2017, <http://www.cbpp.org/research/social-security/ssi-a-lifeline-for-children-with-disabilities>.

² Office of Management and Budget, "A New Foundation for American Greatness – President's Budget FY 2018," The White House, <https://www.whitehouse.gov/sites/whitehouse.gov/files/omb/budget/fy2018/budget.pdf>.

SSI Helps the Most Vulnerable Children With Disabilities

SSI has very strict eligibility criteria for children with disabilities. About 1.2 million children receive benefits — just 1.7 percent of all children and 11 percent of children with special health care needs. The Social Security Administration (SSA) approves fewer than half of child applicants for SSI.

Children must meet stringent medical criteria to receive SSI benefits.³ Their mental or physical disorders must be documented by extensive evidence and must severely limit the child's functioning. Mental conditions include autism, intellectual disability, schizophrenia, or bipolar disorder; physical conditions include cerebral palsy, muscular dystrophy, Down syndrome, blindness, or cancer.

For a child to qualify for SSI benefits, his or her family must also have very low income and assets. Typically, a family may qualify for a full benefit for a child with a disability if they earn up to about the poverty line, which is \$20,420 for a family of three in 2017. The benefit gradually declines as earnings rise, and eligibility phases out at about 200 percent of poverty.⁴ Countable assets are limited to \$2,000 if the child lives with one parent, or \$3,000 if the child lives with two parents. SSI's benefits are modest, averaging \$650 a month for a disabled child.⁵

SSA takes pains to ensure that only the most severely impaired applicants qualify for and remain eligible for benefits. Before a child's application is finalized, many undergo quality reviews by the agency to check the accuracy of the disability examiner's decision.⁶ Once a child qualifies, SSA reviews his or her eligibility regularly, and these reviews end benefits for a large fraction of children.⁷

Many Households Include Multiple SSI Recipients

More than 300,000 households include a child with a disability who receives SSI as well as another member who receives SSI.⁸ More than 4 in 10 of these households include more than one child with disabilities; the rest include a child with a disability and a parent or other adult who also receives SSI.

³ Center on Budget and Policy Priorities, *Policy Basics: Introduction to Supplemental Security Income*, December 2, 2015, <http://www.cbpp.org/research/social-security/policy-basics-introduction-to-supplemental-security-income>.

⁴ The family's countable income must be under \$735 per month, or less than \$9,000 a year. Countable income is essentially half of earnings over \$65 a month, plus all unearned income with minor exceptions, minus amounts allocated (or "deemed") to other family members for their own needs. For more information, see <https://www.ssa.gov/ssi/text-child-ussi.htm>. Although SSI does not explicitly use the federal poverty guidelines to weigh eligibility, the deeming rules mean that working families may qualify for a full benefit for a disabled child with earnings up to about 100 percent of poverty and may qualify for a small SSI benefit with earnings up to about 200 percent of poverty.

⁵ Federal SSI benefits top out at \$735 in 2017. Many states supplement the federal SSI benefit, though some have cut those additional payments over the years.

⁶ SSA, Program Operations Manual System (POMS), <https://secure.ssa.gov/poms.nsf/lnx/0204440008>.

⁷ SSA, *SSI Annual Report*, Table V.D4, https://www.ssa.gov/oact/ssir/SSI16/V_D_Redet_CDRdata.html.

⁸ Most, but not all, of these households would have their benefits cut under the Trump proposal, which affects only members of the same family who receive SSI. Government Accountability Office, "Supplemental Security Income — SSA Provides Benefits to Multiple Recipient Households but Needs System Changes to Improve Claims Management," September 15, 2016, <https://www.gao.gov/products/GAO-16-674>.

It's not surprising that some SSI recipients live together. Many disabilities have a strong genetic basis, meaning that if one family member has a particular condition, it's much more likely that another family member will share it. For example, a wide body of research has shown the heritability of conditions like autism, cystic fibrosis, and Down syndrome.⁹

Families also share the same environment, and environmental factors have been shown to increase the likelihood of disability. For example, children raised in communities with dangerously high levels of lead exposure are more likely to develop developmental, physical, and psychological problems due to lead poisoning.¹⁰ Likewise, children exposed to industrial toxins are significantly more likely to develop neurodevelopmental diseases.¹¹

Cuts Would Increase Hardship for Families Caring for Children With Disabilities

The Trump budget would cut SSI benefits for roughly one quarter of a million children with disabilities; the cuts would range from 38 to 66 percent for each affected child.¹² These cuts would push vulnerable families into poverty and cause significant hardship. Children receiving SSI are extremely vulnerable; in addition to being disabled, nearly 1 in 3 live in poverty — whether they live with other SSI recipients or not.¹³

Families caring for children with disabilities are not only more likely than other families to be poor; they also face more material hardships than other families at the same income level, such as struggling to put food on the table, being forced out of their homes, having their electricity shut off, or going without needed medical care.¹⁴ This is especially true for families with more than one disabled child (see Figure 1).¹⁵ These greater hardships reflect the higher expenses that families with

⁹ National Human Genome Research Institute, "Specific Genetic Disorders," January 18, 2017, <https://www.genome.gov/10001204/specific-genetic-disorders/>.

¹⁰ Jacqueline Gullede, "Flint water crisis leaves long-term impact on children's health," CNN, January 31, 2017, <http://www.cnn.com/2017/01/31/health/iyw-flint-water-crisis-two-years-later/index.html>.

¹¹ Cristina Lego *et al.*, "Proximity to Industrial Toxins and Childhood Respiratory, Developmental, and Neurological Diseases: Environmental Ascription in East Baton Rouge Parish, Louisiana," *Population and Environment*, Vol. 33, No. 4, June 2012, <http://www.jstor.org/stable/41487571>.

¹² The proposed cuts are similar to those outlined by the 1995 National Commission on Childhood Disability, but the Trump proposal would also cut the benefits of children who live with a parent receiving SSI. *Report to Congress of the National Commission on Childhood Disability*, October 1995, <https://www.ssa.gov/history/reports/SSI/ChildhoodDisabilityReport.html>.

¹³ Joyce Nicholas, "Prevalence, Characteristics, and Poverty Status of Supplemental Security Income Multirecipients," *Social Security Bulletin*, 2013, <https://www.ssa.gov/policy/docs/ssb/v73n3/v73n3p11.html>.

¹⁴ Susan Parish *et al.*, "Material Hardship in U.S. Families Raising Children with Disabilities," *Exceptional Children*, Vol. 75:1, 71-92 (2008) and "Material Hardship in U.S. Families Raising Children with Disabilities: Research Summary and Policy Implications," University of North Carolina, March 2009.

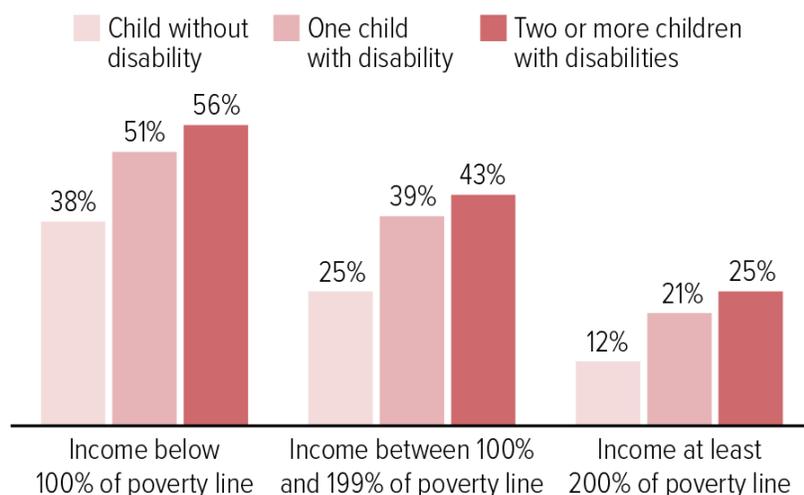
¹⁵ Subharati Ghosh and Susan Parish, "Prevalence and Economic Well-Being of Families Raising Multiple Children with Disabilities," *Children and Youth Services Review*, September 2013.

disabled children face in providing the highly individual supports their children require, many of which are not offered by schools or covered by insurance.¹⁶ These include specialized therapies, medically prescribed diets, diapers for older children, home modifications for accessibility, adaptive equipment, tutors, specialized child care, and transportation to doctors and specialists.¹⁷

FIGURE 1

Households With Multiple Children With Disabilities Experience Greater Hardship Across Income Levels

Percent of households that did not meet all essential expenses



Note: "essential expenses" refers to such things as mortgage or rent payments, utility bills, or important medical care.

Source: Subharati Ghosh and Susan Parish, "Prevalence and economic well-being of families raising multiple children with disabilities," 2013.

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The Trump budget proposal would cut more than \$8 billion in benefits from these families, making it harder for them to meet their children's needs — and pushing many of them into poverty or deeper into poverty.

Cuts to children's SSI benefits would increase instability and worsen outcomes for children with disabilities. A family that cannot afford rent may need to leave its community and school, which can be especially challenging for a child with special needs. If a family can't afford food, it can harm children's health — especially for children whose special needs require special diets.¹⁸

¹⁶ Mark Stabile and Sara Allin, "The Economic Costs of Childhood Disability," *The Future of Children*, Spring 2012.

¹⁷ Consortium for Citizens with Disabilities, "Preserve Supplemental Security Income for Children with Disabilities: Speaker Ryan's Poverty Plan Proposes Harmful Elimination of Benefits," June 7, 2016, <http://www.c-c-d.org/fichiers/Preserve-SSI-for-Children-and-Families-06-07-16.pdf>.

¹⁸ National Commission on Hunger, "Freedom from Hunger: An Achievable Goal for the United States of America," 2015, https://www.aci.org/wp-content/uploads/2016/01/Hunger_Commission_Final_Report.pdf.

Limits to Economies of Scale for People With Disabilities

The Trump Administration argues that SSI recipients who live together benefit from economies of scale because their shared resources lower their individual cost of living.¹⁹ For example, the SNAP (formerly food stamps) benefit formula uses a sliding scale because members of a family spend less per person on groceries than if they purchased and prepared food separately.²⁰ In SSI, married couples receive up to 150 percent of the maximum SSI benefit for individuals.²¹

However, there is no evidence that children with disabilities receiving SSI are better off when they live with family members who also receive SSI. In fact, the poverty rate for children receiving SSI who live with other SSI recipients and those who do not is identical: 29 percent.²²

People with disabilities have higher costs and cannot benefit from economies of scale to the same extent as other households.²³ They often have expenses that cannot be shared or economized. For example, some children require specialized therapies not covered by Medicaid, which cannot be split or purchased in bulk.

Even housing and food costs, which can be more affordable when shared, can be more expensive for people with disabilities. For example, the national average rent for a basic one-bedroom housing unit exceeds the maximum monthly SSI benefit.²⁴ But for many Americans with disabilities, basic housing isn't accessible; they need features such as wider doors to accommodate wheelchairs, which can be both costly and scarce.²⁵ Other people with disabilities need special diets, which can be costly. For example, people with cystic fibrosis require a high-fat, high-calorie diet, which can substantially increase their food costs.

¹⁹ SSA Office of Inspector General, *Supplemental Security Income Payments to Multi-Recipient Households*, August 2012, <https://oig.ssa.gov/sites/default/files/audit/full/pdf/A-06-09-29149.pdf>.

²⁰ CBPP, *Policy Basics: Introduction to the Supplemental Nutrition Assistance Program (SNAP)*, March 24, 2016, <https://www.cbpp.org/research/policy-basics-introduction-to-the-supplemental-nutrition-assistance-program-snap>.

²¹ However, some have proposed eliminating SSI's couple benefit and giving each spouse an individual benefit, arguing that doing so would improve equity, reduce disincentives to marry, and simplify program administration.

²² Nicholas.

²³ Peiyun She and Gina Livermore, "Material Hardship, Poverty, and Disability among Working-Age Adults," Cornell University Research Brief, April 2006, <http://digitalcommons.ilr.cornell.edu/cgi/viewcontent.cgi?article=1223&context=edicollect>.

²⁴ Technical Assistance Collaborative, Inc. and Consortium for Citizens with Disabilities, Housing Task Force, "Priced Out in 2014: The Housing Crisis for People with Disabilities," June 2015, <http://www.tacinc.org/media/52012/Priced%20Out%20in%202014.pdf>.

²⁵ Joint Center for Housing Studies of Harvard University, "America's Rental Housing: Expanding Options for Diverse and Growing Demand," December 9, 2015, http://www.jchs.harvard.edu/sites/jchs.harvard.edu/files/americas_rental_housing_2015_web.pdf.

Proposal Would Increase Administrative Costs and Improper Payments

The Trump proposal would also increase SSI's administrative costs and improper payments.²⁶ The number of family members receiving SSI can change from month to month. For example, the composition of a family can change due to birth, death, marriage, or divorce. Eligibility for SSI can change, too, especially for children; SSA often discontinues children's benefits after reviews because disability among children can be fluid, especially as treatments advance.²⁷ If families don't report changes promptly — or if SSA doesn't record their reports immediately due to chronic understaffing — families will be over- or underpaid SSI benefits.²⁸

SSA would need to track changes to families' circumstances every month, creating a new administrative burden in an already complex program. Current SSA systems cannot automatically adjust benefits as the number of SSI recipients in a family changes, so SSA staff would need to manually complete forms and calculate benefits, which is both inefficient and prone to error.²⁹ More SSI recipients would visit field offices; SSA staff would require additional training; and the agency would need to conduct outreach to inform recipients about the change. Administering this complex provision and correcting the improper payments that would inevitably result would increase administrative costs, offsetting some of the proposal's savings. The proposal would also increase SNAP spending by \$1.8 billion, because the loss of income for these low-income families would allow them to qualify for more SNAP benefits. (Higher SNAP benefits would only offset about 30 percent of the loss in SSI for families poor enough to qualify for SNAP.)³⁰

²⁶ Consortium for Citizens with Disabilities, "Preserve Supplemental Security Income for Adults and Children: Oppose Cuts for SSI Recipients Who Live in the Same Household," May 22, 2017, <https://www.c-c-d.org/fichiers/CCD-SSTF-FactSheet-Preserve-SSI-05-22-17.pdf>.

²⁷ Romig, *SSI: A Lifeline for Children with Disabilities*.

²⁸ Kathleen Romig, *Cuts Weakening Social Security Administration Services*, CBPP, March 15, 2017, <https://www.cbpp.org/research/social-security/cuts-weakening-social-security-administration-services>.

²⁹ Government Accountability Office.

³⁰ Congressional Budget Office, *An Analysis of the President's 2018 Budget*, July 13, 2017, <https://www.cbo.gov/system/files/115th-congress-2017-2018/dataandtechnicalinformation/52899-sssi.pdf>.