

Congress of the United States
House of Representatives
Washington, DC 20515-5401

February 9, 2012

The Honorable Geoff Davis
Chairman
House Committee on Ways and Means
Subcommittee on Human Resources
1102 Longworth HOB
Washington, DC 20515

The Honorable Lloyd Doggett
Ranking Member
House Committee on Ways and Means
Subcommittee on Human Resources
1106 Longworth HOB
Washington, DC 20515

Dear Chairman Davis and Ranking Member Doggett:

On January 24th, we introduced H.R. 3812, the *Supplemental Security Income Equality Act*, which would apply the Supplemental Security Income (SSI) program to Puerto Rico, Guam, the U.S. Virgin Islands and American Samoa. The bill was referred to the Committee on Ways and Means, and we write to respectfully request that the Subcommittee on Human Resources schedule a hearing on the bill this year. Since 1973, delegates from the territories have introduced at least 35 bills that would extend SSI to their constituents. Based on our review, it does not appear that a House or Senate committee has ever held a hearing to examine this issue in those 39 years.

As you know, SSI provides monthly cash assistance to blind, disabled or elderly individuals who have limited or no income. SSI applies in all 50 states, the District of Columbia and one territory. However, since the program's inception in 1974, it has not been extended to the four other territories. Instead, the federal grant program known as Aid to the Aged, Blind, and Disabled (AABD), which preceded the SSI program in the states, continues to apply in Puerto Rico, Guam and the U.S. Virgin Islands. American Samoa does not receive AABD or SSI assistance.

The Social Security Administration sends monthly SSI payments directly to recipients, whereas the AABD program is administered by the three territorial governments with funds provided by the Administration for Children and Families (ACF) within the U.S. Department of Health and Human Services.

The disparity between the treatment that is provided to our nation's most vulnerable citizens in the 50 states, the District of Columbia, and one territory under SSI and the treatment that is provided to their fellow Americans in the other territories under AABD is, in a word, shocking. According to the Congressional Research Service, the average monthly federal SSI payment in November 2011 was \$592.60 for individuals under the age of 18, \$514.70 for adults aged 18 to 64, and \$401.80 for adults aged 65 or older—with a maximum monthly benefit of \$698. By contrast, based on data provided by

ACF, the average monthly AABD payment to adult beneficiaries is \$73.85 in Puerto Rico, \$150.00 in Guam, and \$173.05 in the U.S. Virgin Islands. Puerto Rico's annual AABD grant from ACF is about \$33 million. The state with the highest percentage of residents living below the federal poverty line—a jurisdiction that has almost one million fewer total residents than Puerto Rico—received \$742 million in SSI funding in 2010, more than 20 times as much as Puerto Rico. To add insult to injury, the governments of the territories are legally required to meet a 25% “match” to receive their AABD block grant. The states, obviously, do not make any matching payments for their residents to receive SSI assistance.

Not only does the exclusion of the aged, blind and disabled in four territories from the SSI program mean that their governments cannot provide decent monthly payments to residents who cannot support themselves, but it also appears that the territorial governments cannot assist many extraordinarily needy residents *at all*. The evidence: every month, about 38,000 recipients in Puerto Rico receive limited AABD assistance. In a (much-wealthier) state with a comparable population, Oregon, nearly 75,000 residents receive SSI. Of course, if any of the territories' low-income blind, disabled or elderly residents relocated to one of 50 states, which they have the right to do as Americans, they would immediately become eligible for full and fair SSI benefits.

It is important to note that the territories are subject to an annual federal funding cap, known as a “mandatory ceiling,” under §1108(a) of the Social Security Act. The total combined federal funds paid every year to each territory under several programs may not exceed this cap. These programs include: (1) AABD; (2) Temporary Aid to Needy Families (TANF); (3) Title IV-E Foster Care and Adoption Assistance; and (4) a few smaller programs. Puerto Rico's annual cap is \$107.25 million; Guam's cap is \$4.68 million; the U.S. Virgin Islands' cap is \$3.55 million; and American Samoa's cap is \$1 million. Remarkably, these caps have not been increased for over 15 years, when they were last given a modest boost in the *Personal Responsibility and Work Opportunity Reconciliation Act of 1996* (P.L. 104-193). Since then, the caps have not even been adjusted for inflation.

It could be questioned whether extending SSI to Puerto Rico, Guam, the U.S. Virgin Islands and American Samoa is justified, given that SSI is funded by federal general revenues and residents of the territories are not required to pay federal income taxes on their local income. But we do not believe this argument withstands scrutiny for at least two reasons. First, as noted, eligible residents of one territory already receive SSI. Second, over 45% of all households in the 50 states do not earn enough to pay any federal income taxes. And there is virtually no chance that an SSI recipient in the states pays federal income taxes, since SSI recipients generally cannot have assets that exceed \$2,000 (\$3,000 in the case of beneficiary-couples). Thus, to exclude four territories from SSI because their residents are not required to pay federal taxes on their local income is clearly unfair.

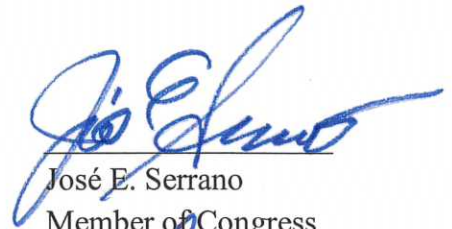
We fully acknowledge the fiscal challenges that confront our nation. We also recognize that there would be a financial cost associated with extending SSI to Puerto Rico, Guam, the U.S. Virgin Islands

and American Samoa. Nevertheless, we strongly believe that inclusion is the just and long overdue course of action. If that is not feasible during this session, however, Congress should at the very least act to increase the territories' §1108(a) funding caps so that AABD recipients in the territories can receive more reasonable monthly assistance. In light of the importance of this issue, and the fact that no congressional committee has previously examined it, we hope you will schedule a hearing on H.R. 3812 this year.

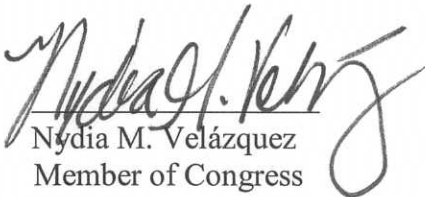
Sincerely,



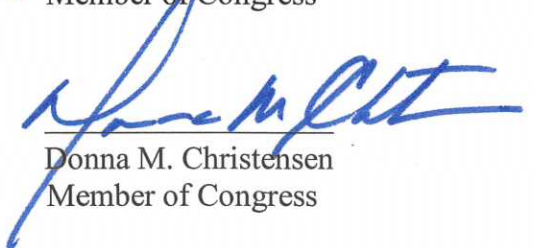
Pedro R. Pierluisi
Member of Congress



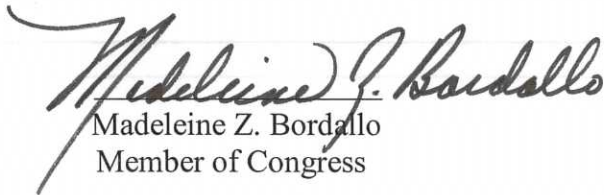
José E. Serrano
Member of Congress



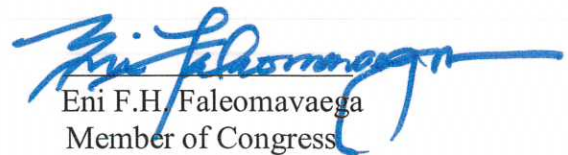
Nydia M. Velázquez
Member of Congress



Donna M. Christensen
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Madeleine Z. Bordallo
Member of Congress



Eni F.H. Faleomavaega
Member of Congress

- cc: The Honorable Dave Camp, Chairman, House Committee on Ways and Means
The Honorable Sander M. Levin, Ranking Member, House Committee on Ways and Means
The Honorable John Fleming, Chairman, House Committee on Natural Resources, Subcommittee on Fisheries, Wildlife, Oceans and Insular Affairs
The Honorable Gregorio Kilili Sablan, Ranking Member, House Committee on Natural Resources, Subcommittee on Fisheries, Wildlife, Oceans and Insular Affairs
The Honorable Debbie Stabenow, Chairwoman, Senate Committee on Finance, Subcommittee on Social Security, Pensions, and Family Policy
The Honorable Tom Coburn, Ranking Member, Senate Committee on Finance, Subcommittee on Social Security, Pensions, and Family Policy