

MEMORANDUM

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Subject: Cash Assistance for the Aged, Blind, and Disabled in Puerto Rico

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This memorandum examines Puerto Rico’s cash assistance program for low-income seniors and individuals with disabilities, known as Aid to the Aged, Blind, or Disabled (AABD). It begins by providing background information on the national cash assistance program for the aged, blind, and disabled, known as Supplemental Security Income (SSI). Next, it provides an overview of cash assistance programs in the territories and discusses the specifics of Puerto Rico’s AABD program. After that, the memorandum provides a comparison of the SSI and AABD programs. Lastly, it provides a legislative history of cash assistance for the aged, blind, and disabled in Puerto Rico, as well as examines legislation during the 1970s to extend SSI to Puerto Rico.

Supplemental Security Income¹

Established under Title XVI of the Social Security Act, SSI is a means-tested federal entitlement program that provides monthly cash benefits to the aged, blind, and disabled.² The program is intended to provide a guaranteed minimum income to adults who have difficulty covering their basic living expenses due to age or disability and who have little or no Social Security or other income. It is also designed to supplement the support and maintenance of needy children with severe disabilities. SSI is commonly known as a program of “last resort” because claimants must first apply for all other benefits for which they may be eligible; cash assistance is awarded only to those whose income and assets from other sources are below prescribed limits. Although SSI is administered by the Social Security Administration (SSA), it is not part of Old-Age, Survivors, and Disability Insurance (OASDI), commonly known as Social Security. The SSI program, which was enacted in 1972 and implemented in 1974, operates in the 50 states, the District of Columbia, and the Northern Mariana Islands.

Eligibility Requirements

To be categorically eligible for SSI, individuals must be aged, blind, or disabled as defined in federal law.³ Aged refers to individuals who are age 65 or older. The blind are individuals of any age who have central visual acuity of 20/200 or less in the better eye with the use of a correcting lens or have a visual

¹ See CRS In Focus IF10482, *Supplemental Security Income (SSI)*.

² 42 U.S.C. §§1381-1383f.

³ Section 1614(a) of the Social Security Act; 42 U.S.C. §1382c(a).

field limitation of 20 degrees or less in the better eye. Individuals are considered disabled if they meet SSI's age-specific definition of disability.

- **Disabled Adults.** Individuals aged 18 or older must be unable to engage in any substantial gainful activity (SGA) by reason of any medically determinable physical or mental impairment that is expected to last for at least 12 months or to result in death. SSA uses a monetary threshold to determine whether a person's work activity constitutes SGA. In 2016, the SGA earnings threshold is \$1,130 per month.⁴ Adults generally qualify as disabled if their impairment is of such severity that they are unable to do any kind of substantial work that exists in the national economy, taking into account their age, education, and work experience.⁵
- **Disabled Children.** Individuals under age 18 must have a medically determinable physical or mental impairment that results in marked and severe functional limitations and is expected to last for at least 12 months or to result in death. Children typically qualify as disabled if they have a severe impairment that limits their ability to engage in age-appropriate childhood activities.⁶

To be financially eligible for SSI, individuals must have income and resources within prescribed limits. In general, a person's countable income (i.e., gross income minus all applicable exclusions) must be less than the federal benefit rate, which is the maximum monthly SSI benefit payable to qualified individuals and couples. In 2016, the federal benefit rate is \$733 per month for an individual living independently and \$1,100 per month for a couple living independently if both members are SSI eligible.⁷ The federal benefit rate is adjusted annually for inflation by the same cost-of-living adjustment (COLA) applied to Social Security benefits.⁸ Countable income is subtracted from the applicable federal benefit rate in determining SSI eligibility and payment amount.

The SSI program counts most types of income, including support and maintenance furnished in cash or in kind. The income of certain ineligible family members (such as a spouse or parent) may be deemed available to meet the needs of the SSI recipient, and as such, may be included in the recipient's countable income. Certain income is disregarded (i.e., not counted) for eligibility status and payment purposes, including the first \$20 per month of any income (earned or unearned) as well as the first \$65 per month of earned income plus one-half of any earnings above \$65. Unearned income refers to income not derived from current work, such as Social Security, veterans' benefits, interest income, and cash from friends or relatives. Earned income includes wages, net earnings from self-employment, payments for services performed in a sheltered workshop, and certain royalties and honoraria. Certain types of in-kind (non-cash) support are also excluded, such as federal housing assistance and the Supplemental Nutrition Assistance Program (SNAP; formerly the Food Stamp Program).⁹

Some states complement SSI benefits with state supplementary payments (SSPs) that are made solely with state funds. These payments are intended to help individuals whose basic needs are not fully met by

⁴ Social Security Administration (SSA), Office of the Chief Actuary (OACT), "Substantial Gainful Activity," <https://www.ssa.gov/oact/cola/sga.html>. Due to certain work incentives, the substantial gainful activity (SGA) earnings threshold applies to disabled Supplemental Security Income (SSI) recipients only at the time of application. SGA rules do not apply to blind SSI recipients.

⁵ The work does not have to exist in the immediate area, and a specific job vacancy does not have to be available.

⁶ The child's earnings must not exceed the SGA threshold at the time of application.

⁷ SSA, OACT, "SSI Federal Payment Amounts," <https://www.ssa.gov/oact/cola/SSIamts.html>.

⁸ See CRS Report 94-803, *Social Security: Cost-of-Living Adjustments*.

⁹ See CRS Report RL34591, *Overview of Federal Housing Assistance Programs and Policy* and CRS Report R42505, *Supplemental Nutrition Assistance Program (SNAP): A Primer on Eligibility and Benefits*.

the federal benefit rate. States may provide SSPs to all individuals eligible for SSI, or they may limit payments to certain SSI recipients, such as the blind or residents of domiciliary-care facilities. Currently, 44 states and the District of Columbia have optional state supplementation programs.¹⁰ In states that have an agreement with SSA for the agency to administer the state supplementation program, a person is eligible for SSI if his or her monthly countable income is less than the combined amount of the federal benefit rate and the SSP.

The limit for countable resources is \$2,000 for an individual and \$3,000 for a couple. Resources are cash or other liquid assets or any real or personal property that a person owns and could convert to cash to be used for his or her support and maintenance. Resources include bank savings or checking accounts, stocks, bonds, mutual funds, certificates of deposit, insurance policies, individual retirement accounts (IRAs) and 401(k)s under certain conditions, health savings accounts (HSAs), and certain trusts. The resources of ineligible family members may be deemed available to the SSI recipient and counted against the applicable resource limit. As with income, certain resources are excluded in determining SSI eligibility, such as the person's primary residence, household goods and personal effects, one vehicle, and property essential to self-support. The resource limits are not adjusted for inflation and have remained at their current levels since 1989.

In addition to meeting the categorical and financial requirements for SSI, a person must (1) reside in the United States and (2) be a U.S. citizen or a noncitizen who meets a qualified alien category and certain other conditions.¹¹ For SSI purposes, the U.S. is defined as the 50 states, the District of Columbia, and the Commonwealth of the Northern Mariana Islands. SSI recipients who are outside of those jurisdictions for more than 30 consecutive days are ineligible for benefits. For example, if an SSI recipient were to travel from Florida to Puerto Rico and remain there for more than a calendar month, the recipient would not be considered to be residing in the U.S. and would therefore be ineligible for SSI.¹²

The Northern Mariana Islands is the only outlying U.S. area with the SSI program. The Northern Mariana Islands Covenant (H.J.Res 549; P.L. 94-241) was signed into law in March 1976. It changed the status of the Northern Mariana Islands from a part of the United Nations Trust Territory of the Pacific administered by the United States to that of a full U.S. Commonwealth. Terms of the covenant extended SSI to the new Commonwealth on the same terms as in the 50 states and the District of Columbia, effective in January 1978.

¹⁰ Most states must meet a maintenance-of-effort (MOE) requirement with respect to expenditures on state supplementary payments (SSPs). If a state fails to meet the MOE requirement for the year, it risks losing Medicaid reimbursement.

¹¹ See SSA, *Supplemental Security Income (SSI) for Noncitizens*, September 2015, Publication No. 05-11051, <https://www.ssa.gov/pubs/EN-05-11051.pdf>. Additional requirements related to residence in certain public institutions, filing for other potential benefits, and fugitive felon status also apply.

¹² The individual would become eligible for SSI again after returning to the U.S. for 30-consecutive days, provided the period of absence were less than 12-consecutive months (certain exceptions apply).

Participation

In August 2016, SSA issued federally administered SSI payments to approximately 8.3 million recipients, including 1.2 million children under age 18 (or 15%), 4.9 million adults aged 18-64 (or 59%), and 2.2 million seniors aged 65 or older (or 26%).¹³ The average monthly SSI payment was \$540 for all recipients, \$645 for children, \$561 for working-age adults, and \$435 for seniors.¹⁴

Funding and Expenditures

Federal SSI benefits and administrative costs are financed from the general fund of the U.S. Treasury. Congress appropriates funds for mandatory benefit payments and discretionary administrative expenses into SSA's accounts each year as part of the Departments of Labor, Health and Human Services, and Education, and Related Agencies (LHHS) appropriations bill.¹⁵ For FY2016, total federal SSI costs are projected to have been \$64.5 billion, with \$59.6 billion for benefits and \$4.9 billion for administrative and other costs.¹⁶

SSPs are financed solely with state funds. States that elect federal administration of their supplementation program reimburse SSA for the cost of the payments that the agency makes to eligible recipients on behalf of the state as well as for the cost of administering the supplementation program.

Cash Assistance for the Aged, Blind, and Disabled in the Territories

The SSI program is not available in Puerto Rico, Guam, and the Virgin Islands (hereinafter “the territories”). Instead, the territories continue to operate the federal matching-grant programs for the aged, blind, and disabled, which SSI replaced in the 50 states and the District of Columbia in 1974. (Neither SSI nor the matching-grant programs are available in American Samoa.)¹⁷ The Social Security Act offers federal funds to the territories to help pay for costs of providing cash assistance to needy aged, blind, or disabled adults under

- the separate programs of Old-Age Assistance (OAA; Title I), Aid to the Blind (AB; Title X), and Aid to the Permanently and Totally Disabled (APTD; Title XIV); or
- the single program of Aid to the Aged, Blind, or Disabled (AABD; Title XVI).¹⁸

The OAA and AB programs were created in 1935 under the original Social Security Act to furnish participating states with federal matching grants in an effort to improve the adequacy of public assistance for seniors and the blind. The APTD program was established in 1950 to extend eligibility for federally

¹³ SSA, “SSI Monthly Statistics, August 2016,” September 2016, Table 2, https://www.ssa.gov/policy/docs/statcomps/ssi_monthly/index.html.

¹⁴ *Ibid.*, Table 7.

¹⁵ See CRS Report R44287, *Labor, Health and Human Services, and Education: FY2016 Appropriations*. See also CRS Report R44645, *Social Security Administration (SSA): FY2017 Appropriations and Recent Trends*.

¹⁶ SSA, *Justifications of Estimates for Appropriations Committees, Fiscal Year 2017*, February 2016, Table i.7, <https://www.ssa.gov/budget/>.

¹⁷ For more information on federal program eligibility in the territories, see “Appendix B: Social Welfare Programs in the Territories” in U.S. Congress, House Committee on Ways and Means, *2014 Green Book: Background Material and Data on the Programs within the Jurisdiction of the Committee on Ways and Means*, 113th Cong., 2nd sess., <http://greenbook.waysandmeans.house.gov/2014-green-book/appendix-b-social-welfare-programs-in-the-territories>.

¹⁸ For more information on the adult assistance programs for the aged, blind, and disabled, see Herman F. Grundmann, “Adult Assistance Programs Under the Social Security Act,” *Social Security Bulletin*, vol. 48, no. 10 (October 1985), <https://www.ssa.gov/policy/docs/ssb/v48n10/>.

supported cash assistance to needy adults who are permanently and totally disabled due to an impairment other than blindness. In 1962, states were given the option of consolidating their adult assistance programs for the aged, blind, and disabled into a single AABD program under the newly created Title XVI of the Social Security Act.

Section 303(a) of the Social Security Amendments of 1972 (P.L. 92-603) repealed Titles I, X, and XIV of the Social Security Act, and Section 301 amended Title XVI to create the SSI program effective on January 1, 1974. However, Section 303(b) of P.L. 92-603 provided that the repeals and amendments made to the aforementioned titles do not apply to Puerto Rico, the Virgin Islands, and Guam. Consequently, SSI was not extended to the territories. Guam and the Virgin Islands continue to operate OAA, AB, and APTD under Titles I, X, and XIV, while Puerto Rico continues to operate AABD under Title XVI (**Table 1**).

Because Congress established SSI by amending Title XVI of the Social Security Act for all jurisdictions except the territories, the Title XVI authorizing AABD continues to operate alongside the Title XVI authorizing SSI. In other words, the Social Security Act contains two Title XVIs. The Title XVI authorizing AABD is set out in notes to Sections 1601-1605 of the Social Security Act.¹⁹ (Unless otherwise stated, “Title XVI” hereinafter refers to the title of the Social Security Act authorizing AABD.)

Table 1. Overview of Cash Assistance Programs for the Aged, Blind, and Disabled Under the Social Security Act

Program	Authorizing Legislation	Title of the Act	U.S.C. Citation	Availability
Grants to States for Old-Age Assistance for the Aged (OAA)	Social Security Act of 1935 (P.L. 74-271)	Title I	42 U.S.C. §§301-306	Virgin Islands and Guam
Grants to States for Aid to the Blind (AB)	Social Security Act of 1935 (P.L. 74-271)	Title X	42 U.S.C. §§1201-1206	Virgin Islands and Guam
Grants to States for Aid to the Permanently and Totally Disabled (APTD)	Social Security Act Amendments of 1950 (P.L. 81-734)	Title XIV	42 U.S.C. §§1351-1355	Virgin Islands and Guam
Grants to States for Aid to the Aged, Blind, or Disabled (AABD)	Public Welfare Amendments of 1962 (P.L. 87-543)	Title XVI	42 U.S.C. §§1381 note-1385 note	Puerto Rico
Supplemental Security Income for the Aged, Blind, and Disabled (SSI)	Social Security Amendments of 1972 (P.L. 92-603)	Title XVI	42 U.S.C. §§1381-1383f.	50 States, the District of Columbia, and the Northern Mariana Islands

Source: Congressional Research Service (CRS), based on information from the following sources: U.S. Congress, House Committee on Ways and Means, *Compilation of the Social Security Laws*, committee print, 113th Cong., 1st sess., H.Prt. 113-3 (Washington: GPO, 2013), vol. 1, part 1, https://www.ssa.gov/OP_Home/ssact/ssact.htm; and U.S. Department of Health and Human Services (HHS), "Federal Financial Participation in State Assistance Expenditures; Federal Matching Shares for Medicaid, the Children's Health Insurance Program, and Aid to Needy Aged, Blind, or Disabled Persons for October 1, 2015 Through September 30, 2016," 79 *Federal Register* 71426, December 2, 2014, <https://www.gpo.gov/fdsys/pkg/FR-2014-12-02/pdf/2014-28398.pdf>.

It is important to note that although the adult assistance programs for the aged, blind, and disabled are often referred to by their federal designation (OAA, AB, APTD, or AABD), they are ultimately territorial programs. The territories are responsible for establishing and managing their adult assistance programs as well as determining the aspects of their programs, such as who is eligible for benefits and how much

¹⁹ 42 U.S.C. §§1381 note-1385 note.

qualified individuals are paid. Federal matching grants are designed to augment territorial programs with federal funds, provided the territorial programs meet certain criteria. The decision to operate adult assistance programs with federal financial participation rests with the territories themselves. The cooperation between a territory and the federal government makes the adult assistance program a joint federal-state program, so long as the territory chooses to participate and for as long as it adheres to the criteria specified in the Social Security Act.

To qualify for federal matching grants (also known as *grants-in-aid*), a territory must submit, and have approved by the Department of Health and Human Services (HHS), a state plan that describes “the nature and scope of its program and giving assurance that it will be administered in conformity with the specific requirements stipulated in the pertinent title of the Act.”²⁰ (Under HHS regulations, the term *state* refers to Puerto Rico, the Virgin Islands, and Guam for purposes of administering Titles I, X, XIV, and XVI.)²¹ A territory must have a state plan for each adult assistance title that it operates, which means that territories operating the separate programs of OAA, AB, and APTD must have an approved state plan for each program. Within the conditions of federal matching specified in the Social Security Act, a territory has broad discretion to set its own “need” standards (i.e., income and resources limits), benefit levels, and administration of the program. The Administration for Children and Families (ACF) at HHS oversees the adult assistance programs for the aged, blind, and disabled at the federal level.

Funding and Expenditures

Titles I, X, XIV, and XVI of the Social Security Act provide federal funds to the territories through a system of categorical matching grants, which are designed to reimburse the territories for expenditures for providing cash assistance to the aged, blind, and disabled.²² Under this system, federal funds are allocated in proportion to a territory’s expenditures based on the federal financial participation (FFP) rate. Section 1118 of the Social Security Act sets the FFP rate for benefit payments at 75%, meaning that for every \$100 in benefit payments, the federal government provides \$75 and the territory provides \$25.²³ For administrative expenses associated with carrying out the adult assistance programs, Titles I, X, XIV, and XVI set the FFP rate at 50%.²⁴

Congress appropriates funds to ACF’s Payments to States for Child Support Enforcement and Family Support Programs account each year as part of the LHHS appropriations bill to cover federal costs associated with OAA, AB, APTD, and AABD. ACF’s Office of Grants Management (OGM) awards federal funds to the territorial assistance agency based on quarterly estimates of expenditures for benefit payments and administrative costs.²⁵ Federal funding for the adult assistance programs is mandatory and subject to certain limits (i.e., capped).

²⁰ 45 C.F.R. §201.2.

²¹ 45 C.F.R. §201.0.

²² Unlike block grants, which are made for broad purposes, categorical grants are made for narrowly defined purposes. See U.S. Congress, House Committee on Post Office and Civil Service, Subcommittee on Census and Population, *Federal Formula Grant-In-Aid Programs That Use Population As a Factor in Allocating Funds*, committee print, prepared by the Congressional Research Service, 94th Cong., 1st sess., October 24, 1975, H.Prt. 94-6 (Washington: GPO, 1975). See also CRS Report R42769, *Federal Grants-in-Aid Administration: A Primer* and CRS Report R40638, *Federal Grants to State and Local Governments: A Historical Perspective on Contemporary Issues*.

²³ 42 U.S.C. §1318. The alternative matching formula specified in Section 1118 of the Social Security Act is more advantageous to the territories than the original funding formula set forth in Titles I, X, XIV, and XVI.

²⁴ Sections 103, 1003, 1403, and 1603 of the Social Security Act; 42 U.S.C. §§303, 1203, 1353, and 1383 note.

²⁵ General Services Administration (GSA), “Catalog of Federal Domestic Assistance: Family Support Payments to States_Assistance Payments,” <https://www.cfda.gov/index?s=program&mode=form&tab=step1&id=2d889ecaee3671864e5b696fae7ae613>.

Section 1108 of the Social Security Act sets a ceiling on the cumulative amount of federal funding that each territory can receive for a fiscal year for the following programs:

- adult assistance for the aged, blind, and disabled (Titles I, X, XIV, and XVI);
- Temporary Assistance for Needy Families (TANF; Title IV-A);²⁶
- foster care, adoption assistance, and independent living (Title IV-E);²⁷ and
- additional matching grants under Section 1108(b) of the Social Security Act.²⁸

The “mandatory ceiling amount” for these programs under Section 1108(c)(4) is \$107,255,000 for Puerto Rico, \$4,686,000 for Guam, and \$3,554,000 for the Virgin Islands (**Table 2**).²⁹ The funding caps are not indexed to inflation and have remained at their current levels since FY1997.

The amount of funding available for each territory’s system of adult assistance for the aged, blind, and disabled (hereinafter “adult assistance”) is determined, in part, by its TANF block grant. Puerto Rico, Guam, and the Virgin Islands each receive a basic TANF block grant (i.e., the state family assistance grant) based on the federal share of their expenditures in TANF’s predecessor programs of Aid to Families with Dependent Children (AFDC), Emergency Assistance (EA), and the Job Opportunity and Basic Skills Training (JOBS) program in the early-to-mid 1990s.³⁰ Assuming full funding of the basic TANF block grant, the amount of the Section 1108 cap available for adult assistance and other specified programs is equal to the cap *minus* the TANF block grant. For Puerto Rico, the block grant amount is \$71,562,501. Thus, after accounting for the TANF block grant, Puerto Rico can receive up to \$35,692,499 in federal funding for adult assistance, foster care, adoption assistance, and Section 1108(b) matching grants (**Table 2**).³¹ As with the funding caps, the basic TANF block grant amounts are not indexed to inflation and have remained at their current levels since FY1997.

In its FY2017 budget justification to Congress, ACF projected that the combined amount of federal funding for adult assistance in the territories for FY2016 would be \$33 million, which is 88% of the combined amount of the funding available for adult assistance and other programs (or \$37.6 million).³²

²⁶ CRS Report RL32748, *The Temporary Assistance for Needy Families (TANF) Block Grant: A Primer on TANF Financing and Federal Requirements*.

²⁷ CRS Report R42792, *Child Welfare: A Detailed Overview of Program Eligibility and Funding for Foster Care, Adoption Assistance and Kinship Guardianship Assistance under Title IV-E of the Social Security Act*.

²⁸ Section 1108(a)(1) of the Social Security Act; 42 U.S.C. §1308(a)(1).

²⁹ Section 1108(c)(4) of the Social Security Act; 42 U.S.C. §1308(c)(4). The funding caps for assistance provided under Titles I, X, XIV, and XVI, parts A and E of Title IV, and Section 1108(b) are distinct from the funding caps for Medicaid (Title XIX) in Section 1108(f) and (g). For more information on Medicaid funding in the territories, see CRS Report R44275, *Puerto Rico and Health Care Finance: Frequently Asked Questions*.

³⁰ Puerto Rico, Guam, and the Virgin Islands must meet a MOE requirement with respect to their own expenditures. The MOE requires them to spend from their own funds at least 75% of what they spent in FY1994 under AFDC, EA, and JOBS. If a jurisdiction fails the TANF work participation standard, its MOE rises to 80% of the amount spent in FY1994.

³¹ Under Section 1108(b) of the Social Security Act, Puerto Rico, Guam, and the Virgin Islands may also receive additional matching grants if certain requirements are met. The additional matching grants would be available to help finance additional expenditures for TANF and Title IV-E programs. In order for Puerto Rico to receive Section 1108(b) matching grants, it must spend from its own funds at least 100% of its share of expenditures FY1995 under TANF’s predecessor programs.

³² Department of Health and Human Services (HHS), Administration for Children and Families (ACF), *Justification of Estimates for Appropriations Committees, FY2017*, February 2016, p. 290, https://www.acf.hhs.gov/sites/default/files/olab/final_cj_2017_print.pdf.

Table 2. Effective Funding Caps for Adult Assistance and Other Programs in the Territories, Assuming Full Funding of the TANF Block Grant

Territory	Section 1108 Ceiling for Cash Assistance and Other Programs	Basic TANF Block Grant	Amount of the Ceiling Available for Adult Assistance and Other Programs
Puerto Rico	\$107,255,000	\$71,562,501	\$35,692,499
Guam	\$4,686,000	\$3,465,478	\$1,220,522
Virgin Islands	\$3,554,000	\$2,846,564	\$707,436
Total	\$115,495,000	\$77,874,543	\$37,620,457

Source: CRS, based on Section 1108(c)(4) of the Social Security Act (42 U.S.C. §1308[c][4]), and U.S. Department of Health and Human Services (HHS), Administration for Children & Families (ACF), “TANF-ACF-PI-1997-11 (Funding Guidance to Territories for TANF and Other Programs Subject to the Funding Ceiling in Section 1108 of the Social Security Act, as Amended by the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA)),” November 21, 1997, <http://www.acf.hhs.gov/ofa/resource/policy/pi-ofa/1997/pi9711.htm>.

AABD in Puerto Rico

Puerto Rico’s AABD program is administered by the Department of the Family, Administration for Socioeconomic Development of the Family (Departamento de la Familia, Administracion de Desarrollo Socioeconomico de la Familia [ADSEF]). Based on CRS’s analysis of ADSEF budget documents and Puerto Rican regulations, it appears that Puerto Rico operates all of its cash assistance programs, including AABD, under its TANF program.³³ Specifically, assistance for the aged, blind, and disabled is provided under categories A, B, and D of the TANF program, respectively (Table 3).

Table 3. Puerto Rico’s Expanded TANF Program

Category	Needy Population	Source of Funding	Federal Designation
Category A – Assistance for the Aged	Individuals aged 65 or older	Federal and Territory	AABD
Category B – Assistance for the Blind	Individuals who are blind	Federal and Territory	AABD
Category C – Temporary Assistance for Families with Children	Families with children under age 18	Federal ^a	TANF
Category D – Assistance for the Disabled	Individuals who are aged 18 or older and are permanently and totally disabled	Federal and Territory	AABD
Category G – General Assistance	Adults who are temporary and totally disabled and children under age 18 who are permanently disabled	Territory	Territorial program
Category T – Assistance for Children with Guardians	Children under age 18 who meet the requirements of Category C, except they are living with a qualified relative	Territory	Territorial program

³³ Departamento de la Familia, Administracion de Desarrollo Socioeconomico de la Familia (ADSEF), *Memorial Explicativo del Presupuesto Recomendado, 2016-2017*, June 30, 2016, pp. 215-217, <http://www2.pr.gov/ogp/Bvirtual/memExpPres/PDF/Agencias/ADSEF-17.pdf> (hereinafter “ADSEF 2016 Budget Document”). See also 1115 PR REGLA 7653.

Source: CRS, based on 1115 PR REGLA 7653 and Departamento de la Familia, Administracion de Desarrollo Socioeconomico de la Familia (ADSEF), *Memorial Explicativo del Presupuesto Recomendado, 2016-2017*, June 30, 2016, pp. 215-217, <http://www2.pr.gov/ogp/Bvirtual/memExpPres/PDF/Agencias/ADSEF-17.pdf>.

- a. Puerto Rico and the other eligible territories must meet a maintenance-of-effort (MOE) requirement with respect to their own expenditures (see footnote 30).

To be categorically eligible for AABD, an individual must be aged, blind, or disabled as defined under the Social Security Act and Puerto Rican law and regulations.³⁴ Aged refers to individuals who are age 65 or older.³⁵ The blind are individuals of any age who have central visual acuity of 20/200 or less in the better eye with the use of a correcting lens or have a visual field limitation of 20 degrees or less in the better eye.³⁶ The disabled are individuals aged 18 or older who have a physical or mental impairment that will likely not improve and which prevents them from performing their previous job or any other paid work.³⁷

According to the Government Accountability Office (GAO), the countable income limit is equal to the maximum basic AABD benefit, which is \$64 per month.³⁸ (CRS has not been able to verify this information using documents from the Puerto Rican government.)³⁹ ADSEF counts both earned income (e.g., wages and net earnings from self-employment) and unearned income (e.g., Social Security, veterans' benefits, lottery winnings). As with SSI, certain income is not counted for AABD eligibility and payment purposes. For the aged or disabled, ADSEF disregards the first \$20 per month of earned income plus one-half of the next \$60 per month.⁴⁰ For the blind, ADSEF disregards the first \$85 per month of earned income plus one-half of the remainder above \$85.⁴¹ ADSEF also excludes certain types of in-kind support, such as housing and food assistance.⁴² (In addition to the basic AABD benefit, the program provides a secondary benefit equal to 50% of actual shelter costs, up to a maximum of \$100 per month.)

The countable resource limit is \$2,000.⁴³ Resources include cash, bank accounts, bonds, stocks, life insurance, and farms or other property. ADSEF excludes certain resources such as a person's primary residence, household goods and personal effects, the total value of motor vehicles, and certain trusts.

³⁴ Section 1601 of the Social Security Act; 42 U.S.C. §1381 note. See also 45 C.F.R. §233.10(b)(2) and 1115 PR REGLA 7653.

³⁵ 8 L.P.R.A. §13.

³⁶ 8 L.P.R.A. §15.

³⁷ 8 L.P.R.A. §15a.

³⁸ U.S. Government Accountability Office (GAO), *Puerto Rico: Information on How Statehood Would Potentially Affect Selected Federal Programs and Revenue Sources*, GAO-14-31, March 31, 2014, p. 83, <http://www.gao.gov/products/GAO-14-31> (hereinafter "GAO Puerto Rican Statehood 2014").

³⁹ According to 1115 PR REGLA 7653, an individual's income must not exceed 50% of the AABD need standard. Based on CRS's analysis of ACF publications from the 1980s and early 1990s, the need standard was \$64, with a maximum basic monthly AABD benefit of \$32 (i.e., 50% of the need standard). CRS has not been able to verify either through official government documents or by communication with Puerto Rican officials that the AABD need standard has since increased to provide a maximum basic monthly benefit of \$64. However, CRS has found reports funded, in part, by ACF's Office of Research, Planning, and Evaluation (ORPE) that appear to support GAO's assertions that the maximum AABD benefit is \$64 and that the countable income limit is equal to this amount. See Advantage Business Consulting, *Beneficios de las Personas Elegibles al TANF vs. Escenario de Salario Minimo Federal*, May 2015, p. 15, <http://www.metro.inter.edu/hsrppr/doc/Beneficios%20de%20Personas%20Elegibles%20al%20TANF.pdf>. See also Mary Farrell et al., *Welfare Time Limits: An Update on State Policies, Implementation, and Effects on Families*, April 2008, p. 153, http://www.acf.hhs.gov/sites/default/files/opre/welfare_time_limits_an_update_on_state_policies_implementation_and.pdf.

⁴⁰ Section 1602(a)(14)(B) and (C) of the Social Security Act; 42 U.S.C. §1382(a)(14)(B) and (C) note. 45 C.F.R. §233.20(a)(8) and 1115 PR REGLA 7653.

⁴¹ Section 1602(a)(14)(A) of the Social Security Act; 42 U.S.C. §1382(a)(14)(A) note. 45 C.F.R. §233.20(a)(10) and 1115 PR REGLA 7653.

⁴² SNAP is not available in Puerto Rico. Instead, the territory receives a block grant from the federal government to administer a nutrition assistance program (NAP; known as the Programa de Asistencia Nutricional [PAN]).

⁴³ 45 C.F.R. §233.20(a)(3) and 1115 PR REGLA 7653.

In addition to the categorical and financial requirements for AABD, a person must (1) be a U.S. citizen or a noncitizen who meets a qualified alien category and certain other conditions, (2) reside in the area of the local assistance office to which the claimant applied, and (3) live outside of an institution, except for those approved by ADSEF.

Participation

During FY2015, the average monthly number of AABD recipients was 37,346.⁴⁴ The average total AABD benefit during FY2015 was \$75 per month, which includes the basic AABD benefit and the additional benefit for shelter costs.⁴⁵ Of this amount, about \$56 was composed of federal funds and about \$19 was composed of territorial funds. ADSEF issues benefit payments to eligible AABD recipients.

In April 2016, Puerto Rico's AABD program provided cash assistance to 36,957 individuals, including 16,314 seniors aged 65 or older (or 44%), 193 statutorily blind individuals (or 1%), and 20,450 totally and permanently disabled individuals aged 18 or older (or 55%).⁴⁶

Funding and Expenditures

According to ACF, actual federal expenditures on Puerto Rico's AABD program in FY2015 were \$26.5 million, with \$25.2 million for benefit payments and \$1.3 million for administrative costs.⁴⁷ Based on this data, Puerto Rico expenditures on AABD are estimated to have been \$9.7 million, with \$8.4 million for benefit payments and \$1.3 million for administrative costs. Combined expenditures for FY2015 are estimated to have been \$36.2 million, with \$33.6 million for benefit payments and \$2.6 million for administrative costs.

Table 4. Expenditures on Puerto Rico's AABD Program, by Type and Source, FY2015

	Actual Federal Expenditures	Estimated Territorial Expenditures	Estimated Combined Expenditures
Benefit Payments	\$25,176,122	\$8,392,041	\$33,568,163
Administrative Expenses	\$1,299,522	\$1,299,522	\$2,599,044
Total	\$26,475,644	\$9,691,563	\$36,167,207

Source: CRS, based on federal expenditure data provided by ACF.

Notes: Estimated expenditures based on the requirement that federal expenditures on benefit payments equal 75% of combined benefit cost and that federal expenditures on administrative expenses equal 50% of combined administrative cost.

For territory fiscal year 2016-2017 (July 1, 2016 through June 30, 2017), ADSEF projects that spending on AABD benefit payments will be \$35.4 million, with \$12.7 million for the aged, \$190,000 for the blind, and \$22.5 million for the disabled. These amounts reflect both federal and territorial expenditures and exclude administrative costs.⁴⁸

⁴⁴ Unpublished ACF document, September 2016.

⁴⁵ Ibid. and GAO Puerto Rican Statehood 2014.

⁴⁶ ADSEF 2016 Budget Document, p. 216.

⁴⁷ Unpublished ACF document, September 2016.

⁴⁸ ADSEF 2016 Budget Document, pp. 261-262.

Comparison of SSI and AABD in Puerto Rico

Table 5 provides a comparison of the SSI program in the 50 states, the District of Columbia, and the Northern Mariana Islands with Puerto Rico's AABD program in FY2015.

Table 5. Comparison of the SSI Program and Puerto Rico's AABD Program, FY2015

	Supplemental Security Income (SSI)	Aid to the Aged, Blind, or Disabled (AABD)
Type of Program	Federal cash assistance for blind or disabled individuals of any age and the aged	Joint federal-state cash assistance program for blind individuals of any age, disabled adults, and the aged
Administration	<i>Federal SSI Benefits:</i> Social Security Administration (SSA) <i>State supplements:</i> SSA or the state	<i>State level:</i> Puerto Rico's Department of the Family, Administration for Socioeconomic Development of the Family <i>Federal level:</i> Administration for Children and Families (ACF) at the Department of Health and Human Services (HHS)
Categorical Requirements		
Aged	65 years or older	Same
Blind	Individuals of any age with central visual acuity of 20/200 or less in the better eye with the use of a correcting lens or have a visual field limitation of 20 degrees or less in the better eye	Same
Disabled	<i>Adults:</i> Individuals aged 18 or older must be unable to engage in any substantial gainful activity (SGA) by reason of any medically determinable physical or mental impairment that is expected to last for at least 12 months or to result in death <i>Children:</i> Individuals under age 18 must have a medically determinable physical or mental impairment that results in marked and severe functional limitations and is expected to last for at least 12 months or to result in death	Individuals aged 18 or older must have a physical or mental impairment that will likely not improve and which prevents them from performing their previous job or any other paid work No benefits for children under age 18 ^a
Financial Requirements		
Income Limit	Countable income (gross income minus all applicable exclusions) must be less than the maximum monthly benefit: \$733 for an individual or \$1,100 for a couple	Countable income must be less than the maximum basic monthly benefit: \$64 ^b
Income Disregards	The first \$20 of any income and the first \$65 of earned income and one-half of the remainder above \$65	<i>Aged or Disabled:</i> the first \$20 of earned income plus one-half of the next \$60 of earned income <i>Blind:</i> the first \$85 of earned income plus one-half of the remainder above \$85
Resource Limit	Countable resources must not exceed \$2,000 for an individual or \$3,000 for a couple	Countable resources must not exceed \$2,000
Number of Beneficiaries^c	8.344 million	37,300

	Supplemental Security Income (SSI)	Aid to the Aged, Blind, or Disabled (AABD)
Average Monthly Benefit Amount	\$551 (federal SSI benefit plus state supplementary payment for select states)	\$75 (basic monthly benefit plus additional benefit for shelter costs)
Financing		
System	Direct payments to recipients SSI benefits and related administrative costs are 100% federally funded State supplements and related administrative costs are 100% state funded	Categorical matching grants to territory <i>Benefit payments:</i> 75% federal, 25% state <i>Administrative costs:</i> 50% federal, 50% state
Source of Federal Funds	General fund of the U.S. Treasury Federal funding for benefits is mandatory and open-ended	General fund of the U.S. Treasury Federal funding for benefits is mandatory and capped
Total Federal Spending on Benefits	\$54.6 billion	\$25.2 million

Source: CRS, based on the following sources: unpublished ACF document, September 2016; Social Security Administration (SSA), “Understanding Supplemental Security Income—2016 Edition,” <https://www.ssa.gov/ssi/text-understanding-ssi.htm>; SSA, “SSI Monthly Statistics,” https://www.ssa.gov/policy/docs/statcomps/ssi_monthly/index.html; SSA, *Justifications of Estimates for Appropriations Committees, Fiscal Year 2017*, February 2016, Tables i7-i8, <https://www.ssa.gov/budget/>; 1115 PR REGLA 7653; ADSEF, *Memorial Explicativo del Presupuesto Recomendado, 2016-2017*, June 30, 2016, pp. 215-217, <http://www2.pr.gov/ogp/Bvirtual/memExpPres/PDF/Agencias/ADSEF-17.pdf>; and U.S. Government Accountability Office (GAO), *Puerto Rico: Information on How Statehood Would Potentially Affect Selected Federal Programs and Revenue Sources*, GAO-14-31, March 31, 2014, p. 83, <http://www.gao.gov/products/GAO-14-31>

- a. Category G of Puerto Rico’s TANF program (“general assistance”) provides benefits to permanently disabled children under age 18.
- b. AABD’s countable income limit is based on information in GAO’s 2014 report on Puerto Rican statehood.
- c. Average monthly SSI benefits include payments made to children under age 18. AABD does not provide benefits to minor children who have an impairment other than blindness.

Legislative History of Cash Assistance for the Aged, Blind, and Disabled in Puerto Rico

Puerto Rico was excluded from all titles of the original Social Security Act of 1935 (P.L. 74-271), including Old-Age Assistance (OAA; Title I) and Aid to the Blind (AB; Title X). Although the Franklin D. Roosevelt Administration’s bill, the Economic Security Act, would have included Puerto Rico in OAA, Aid to Dependent Children,⁴⁹ and certain other public assistance programs, lawmakers chose not to apply the Social Security Act to territories other than Alaska and Hawaii.⁵⁰ In justifying this change, the chair of the House Committee on Ways and Means, Robert L. Doughton, said in a letter,

It is true that the original bill included Puerto Rico in some of the titles and was excluded in others, among which was the title dealing with unemployment insurance. During the consideration of the bill in executive session the change was made so that the definition and treatment of Puerto

⁴⁹ Aid to Dependent Children (ADC) later became Aid to Families with Dependent Children (AFDC), which was replaced by the TANF block grant.

⁵⁰ The Economic Security Act did not provide for Aid to the Blind (AB). See SSA, “Social Security History: 1935 Administration Economic Security Bill,” <https://www.ssa.gov/history/fdrbill.html>.

Rico would be the same as under our revenue laws, inasmuch as the bill contains provisions providing for income and excise taxes. This was done because Puerto Rico has its own tax law and does not pay any taxes into the Treasury of the United States. The committee felt that this change should be made in view of the fact that many of the benefits provided in the bill were dependent in a great measure upon the tax features. It was felt that questions involved in this matter might be ironed out later.⁵¹

In 1939, Congress extended two non-cash assistance titles of the Social Security Act to Puerto Rico as part of the Social Security Amendments of 1939 (P.L. 76-379).⁵² Although some lawmakers supported extending all titles of the Social Security Act to Puerto Rico, this sentiment was not widely expressed at the time.⁵³ In 1944, the Senate Committee on Finance held a hearing on extending all of the public assistance titles of the Social Security Act to Puerto Rico and the Virgin Islands.⁵⁴ Several administration officials testified in support for such an extension; however, those Senators who attended the hearing expressed skepticism at providing Puerto Rico and the Virgin Islands with federal funds in light of the territories' favorable treatment under the federal tax code.

In 1949, the House approved a bill (H.R. 6000) that would become the Social Security Act Amendments of 1950 (P.L. 81-734). Among its many provisions, the House-passed version of H.R. 6000 established Aid to the Permanently and Totally Disabled (APTD; Title XIV) as well as extended Social Security (Title II) and the public assistance titles to Puerto Rico and the Virgin Islands. The report accompanying the House bill stated,

Your committee believes that it would be reasonable to participate in assistance costs in Puerto Rico and the Virgin Islands, but recommends doing so on a basis different from that recommended for the States and Territories. The economy of the islands is at a lower level than that on the mainland. Furthermore, in the case of Puerto Rico, your committee took into consideration the fact that Puerto Rico retains the Federal excise taxes that it collects, instead of turning them in to the Federal Treasury and that the Federal income taxes are not applicable there.⁵⁵

The matching formula for the adult assistance programs in Puerto Rico and the Virgin Islands under the House bill was less generous than the formula for the adult assistance programs in the states.

In late 1949, a special subcommittee of the House Committee on Ways and Means traveled to Puerto Rico as part of an investigation into the extension of the remaining titles of the Social Security Act to Puerto Rico and the Virgin Islands. In February of 1950, the subcommittee submitted its report to the full committee, recommending, among other things, slightly more generous benefits for adult assistance in Puerto Rico and the Virgin Islands than the levels passed in the House bill.⁵⁶

The Senate-passed version of H.R. 6000 extended Social Security to Puerto Rico and the Virgin Islands but deleted the provisions extending the remaining public assistance titles to those territories. Although

⁵¹ Rep. Santiago Iglesias, "Social Security and Puerto Rico," remarks in the House, *Congressional Record*, vol. 79, part 6 (May 3, 1935), p. 6902. Rep. Iglesias submitted Rep. Doughton's letter into the record.

⁵² Grants to States for Maternal and Child Welfare (Title V) and Public Health Work (Title VI).

⁵³ Rep. John W. McCormack, "Amendment of the Social Security Act," remarks in the House, *Congressional Record*, vol. 84, part 7 (June 10, 1939), p. 6964.

⁵⁴ U.S. Congress, Senate Committee on Finance, *Extending Certain Titles of the Social Security Act to the Virgin Islands and Puerto Rico*, hearing on S.1328, 78th Cong., 2nd sess., February 15, 1944 (Washington: GPO, 1944), <http://www.finance.senate.gov/imo/media/doc/78HrgSSPR.pdf>.

⁵⁵ U.S. Congress, House Committee on Ways and Means, *Social Security Act Amendments of 1949*, report to accompany H.R. 6000, 81st Cong., 1st sess., August 22, 1949, H.Rept. 81-1300, p. 55.

⁵⁶ U.S. Congress, House Committee on Ways and Means, Subcommittee on Extension of Social Security to Puerto Rico and the Virgin Islands, *Extension of Social Security to Puerto Rico and the Virgin Islands*, 81st Cong., 2nd sess., February 6, 1950 (Washington: GPO, 1950), pp. 15-16.

lawmakers offered amendments to the Senate bill to apply the public assistance titles to Puerto Rico and the Virgin Islands, such amendments failed during debate.⁵⁷ The rationale for not extending the public assistance titles was expressed by Senator Walter George, who at the time was the chair of the Senate Committee on Finance:

This matter was given full and due consideration by the committee. The truth is that all the taxes paid in the Virgin Islands are returned to the islands with a greatly increased sum. The truth also is, as the distinguished Senator from Maryland has pointed out, that Puerto Rico retains all of its internal taxes and retains all the income taxes. This is the amendment to increase the assistance to States. Puerto Rico and the Virgin Islands are brought under the old-age and survivors insurance title of this act, and with very greatly improved eligibility requirements in the pending bill; and, in view of a special provision which we inserted largely to take care of the situation in Puerto Rico, the people of those islands will receive great benefit under the bill. But since they keep all their taxes and even more than their taxes, the view of the committee was against bringing them in under the State assistance program or the grants.⁵⁸

In conference, lawmakers followed the House-passed version of H.R. 6000 to extend OAA, Aid to Dependent Children, AB, and APTD (Titles I, IV, X, and XIV) to Puerto Rico and the Virgin Islands, but established a fixed limit on the total amount of payments for those programs, which became the Section 1108 caps.⁵⁹ During debate on the conference report, Senator George stated,

The conference agreement extends the State-Federal public assistance programs to Puerto Rico and the Virgin Islands. The Federal share is limited, however, to one-half the expenditures made to recipients of assistance. Moreover, the total Federal costs may not exceed \$4,250,000 a year for Puerto Rico and \$160,000 for the Virgin Islands. The Senate-passed bill made no provision for extending the public-assistance programs to those insular possessions while the House bill authorized such extension without an over-all dollar limit on annual Federal participation in costs. I may say, in passing, that the conference committee was advised that the limit of \$4,250,000 a year for Puerto Rico and \$160,000 for the Virgin Islands on the formula of matching, approved in the conference report, would be adequate.⁶⁰

Following the passage of the 1950 amendments,⁶¹ Puerto Rico submitted state plans for OAA, AB, and APTD and shortly thereafter became eligible for federal matching.⁶² The Public Welfare Amendments of

⁵⁷ Sen. Herbert H. Lehman, "Social Security Act Amendments of 1950," remarks in the Senate, *Congressional Record*, vol. 96, part 7 (June 19, 1950), p. 8791.

⁵⁸ Sen. Walter F. George, "Social Security Act Amendments of 1950," remarks in the Senate, *Congressional Record*, vol. 96, part 7 (June 20, 1950), p. 8891.

⁵⁹ The Section 1108 caps on Medicaid funding in the territories were also implemented for tax reasons. A 1978 Senate report accompanying a bill to increase the 1108 caps for Medicaid noted,

Under section 1108 of the Social Security Act, absolute ceilings are placed on Federal matching payments for Medicaid programs in Puerto Rico, the Virgin Islands, and Guam. These fiscal year limits are \$30 million for Puerto Rico, \$1 million for the Virgin Islands, and \$900,000 for Guam. The original justification for the limitation on Federal matching funds for the jurisdictions was based on their tax status. The Commonwealth of Puerto Rico has been exempt from Federal personal and corporate income taxes, and excise taxes have been rebated intact to the Commonwealth government. The Federal income tax laws apply to the territories of Guam, and the Virgin Islands; however, the Federal income tax revenues are rebated intact for the use of the territorial government.

See U.S. Congress, Senate Committee on Finance, *Medicaid Amendments Relating to Puerto Rico, the Virgin Islands, and Guam*, report to accompany H.R. 9434, 95th Cong., 2nd sess., October 10, 1978, S.Rept. 95-1310, p. 5, <http://www.finance.senate.gov/imo/media/doc/srpt95-1310.pdf>.

⁶⁰ Sen. Walter F. George, "Social Security Act Amendment of 1950—Conference Report," Senate debate, *Congressional Record*, vol. 96, part 9 (August 17, 1950), p. 12713.

⁶¹ The 1950 amendments also permitted Puerto Rico to participate in Social Security (Title II). Notification from the Governor of Puerto Rico was received by the President on September 28, 1950. Pursuant to the conditions set forth in Section 219 of the (continued...)

1962 (P.L. 87-543) allowed states to consolidate their adult assistance programs into the single program of Aid to the Aged, Blind, or Disabled (AABD) under the newly created Title XVI of the Social Security Act. In 1963, Puerto Rico elected to switch from operating the separate programs of OAA, AB, and APTD to operating the single program of AABD. Puerto Rico continues to operate AABD today.

House-Passed Bills and Resolutions to Extend SSI to Puerto Rico⁶³

There have been at least three bills passed by the House that would have extended SSI to Puerto Rico, Guam, and the Virgin Islands, albeit at reduced rates, and one resolution passed by the House that would have given the President discretionary authority to extend SSI to Puerto Rico and the other territories. The first bill was the House-passed version of the Social Security Amendments of 1972 (H.R. 1; P.L. 92-603), which established the SSI program.⁶⁴ The House bill would have established a new federal program under Title XX called Assistance for the Aged, Blind, and Disabled.⁶⁵ This program would have been essentially the same as the SSI program that was enacted. However, the bill would have amended Section 1108 to provide that the amount of assistance benefits be reduced by the ratio of per capita income of the jurisdiction (in this case Puerto Rico) to the per capita income of the state with the lowest per capita income among the 50 states (usually Mississippi).⁶⁶ The bill provided that maximum benefit levels could not exceed those specified for the states. The Section 1108 funding caps would not have applied to the new program.

The Senate-passed version of the 1972 amendments did not extend SSI to the territories. During debate on the bill, Senator Quentin Burdick discussed the issue of SSI in the territories with Senator Russell Long, who at the time was the chair of the Senate Committee on Finance:

Mr. BURDICK. Mr. President, I would like to ask the manager a question about the bill. Overlooked in the bill is consideration for the citizens of the United States residing in Guam, Puerto Rico, and the Virgin Islands. I hastily drew up an amendment I had intended to offer which I discussed with the Senator, and I believe the Senator gave me assurance that early next year the matter would be considered, and by early I mean as early as possible, after we have some data, facts, and figures that we need to correct this matter. Do I have that understanding?

Mr. LONG. Yes. I told the Senator, speaking as the manager of the bill, that if we could find what would appear to be an appropriate answer to provide equity and justice in those territories, I would be willing to accept such an amendment and take it to conference. Unfortunately, neither he nor those of us on the committee could come up with an adequate answer. I assure the Senator we on the committee will be glad to look into it and give our cooperation early in the next session.⁶⁷

(...continued)

Social Security Act (repealed), Social Security coverage became effective on January 1, 1951.

⁶² The earliest effective date that CRS can confirm is December 1953. Titles I, IV, X, and XIV of the Social Security Act were extended to Guam on a basis similar to that in effect for Puerto and the Virgin Islands under the Social Security Amendments of 1958 (P.L. 85-840).

⁶³ For more information on the House-passed bills to provide SSI to Puerto Rico, see U.S. Department of Commerce, *Economic Study of Puerto Rico: Volume I*, December 1979, pp. 177-179.

⁶⁴ U.S. Congress, House Committee on Ways and Means, *Social Security Amendments of 1971*, report on H.R. 1, 92nd Cong., 1st sess., May 26, 1971, H.Rept. 92-231 (Washington: GPO, 1971), pp. 35 and 149 (hereinafter "House Report 92-231").

⁶⁵ The current law Title XX established the Social Services Block Grant (SSBG), which provides states with a flexible source of funds to support a wide variety of social services activities. Title XX also established various programs and initiatives related to elder justice. See CRS Report 94-953, *Social Services Block Grant: Background and Funding*.

⁶⁶ House Report 92-231, p. 364.

⁶⁷ Sen. Quentin N. Burdick and Sen. Russell B. Long, "Social Security Amendments of 1972," Senate debate, *Congressional Record*, vol. 118, part 26 (October 5, 1972), p. 33991.

Immediately thereafter, Senator Jacob Javits and Senator Long discussed the Section 1108 caps for the public assistance programs in the territories:

Mr. JAVITS. Mr. President, Senator BUCKLEY and I were unfortunately late with respect to alleged serious deprivation resulting from certain ceilings under the social security laws on money for Guam, Puerto Rico, and the Virgin Islands for welfare programs. We decided it was just too hasty and too complicated to move into now. May I have the assurance of the chairman that that will be looked into?

Mr. LONG. Mr. President, the Senator is familiar with the problem here. There is a difference in the dollar level of earnings, and there are tax considerations, but I would be happy to say that we will seek to look into it next year.⁶⁸

During a 1990 hearing before the House Committee on Interior and Insular Affairs, Subcommittee on Insular and International Affairs, former CRS analyst Carolyn Merck, who was on staff of the Senate Committee on Finance when the 1972 amendments were passed, testified that the decision to exclude the territories from SSI was based on “considerable concern about raising benefit levels substantially in Puerto Rico.”⁶⁹

Congress held a number of hearings on SSI during the 1970s to assess the implementation and development of the program. At a hearing in June 1975, the Resident Commissioner of Puerto Rico testified for the extension of SSI to the territory.⁷⁰ The next month, the House approved a provision in the Northern Mariana Islands Covenant (H.J.Res 549; P.L. 94-241) that provided the President with discretionary authority to extend to Puerto Rico, the Virgin Islands, Guam, and American Samoa all federal programs providing grant, loan, or other assistance to the states, unless such extension were disapproved by resolution of either House of Congress. Under this authority, the President could extend SSI to Puerto Rico. In support of the provision, Representative Phillip Burton stated,

It is hoped that this discretionary authority will be generously exercised to the end that the offshore areas—the Commonwealth of Puerto Rico, Guam, the Virgin Islands, American Samoa, and the other districts of the Trust Territory of the Pacific Islands—will be included in the various Federal programs, for example, SSI, from which they have been left out. The section contemplates that the executive may decide to include all—or just some—of the offshore areas in the various programs. One, some, all, or none of the areas may be included in each specific program.⁷¹

The Senate Committee on Finance dropped this provision from the Senate-version of H.J.Res 549. In justifying the elimination of the provision, Senator Russell Long, who at the time was the chair of the Senate Committee on Finance, stated,

In establishing the Supplemental Security Income—SSI—program for needy aged, blind, and disabled persons in 1972, Congress intentionally and specifically limited its applicability to the 50 States and the District of Columbia. This program provides a federally guaranteed minimum income to the aged, blind, and disabled; in view of the different economic and other circumstance in the territories and possessions, the Congress felt it would be inadvisable to provide the Federal

⁶⁸ Sen. Jacob K. Javits and Sen. Russell B. Long, "Social Security Amendments of 1972," Senate debate, *Congressional Record*, vol. 118, part 26 (October 5, 1972), p. 33991.

⁶⁹ Testimony of Carolyn Merck, Specialist in Social Legislation, Congressional Research Service, in U.S. Congress, House Committee on Interior and Insular Affairs, Subcommittee on Insular and International Affairs, *Briefing on Puerto Rico Status by the General Accounting Office [GAO] and the Congressional Research Service [CRS]*, oversight hearing, 101st Cong., 2nd sess., January 30, 1990, H.Hrg. 101-79 (Washington: GPO, 1991), p. 34.

⁷⁰ U.S. Congress, House Committee on Ways and Means, Subcommittee on Public Assistance, *Supplemental Security Income Program*, vol. 2, 94th Cong., 1st sess., June 4, 5, 6, 7, 9, 10, 11, 12, and 13, 1975 (Washington: GPO, 1975), p. 484.

⁷¹ Rep. Phillip Burton, "Approving the 'Covenant to Establish a Commonwealth of the Northern Mariana Islands in Political Union with the United States of America,'" House debate, *Congressional Record*, vol. 121, part 18 (July 21, 1975), p. 23669.

SSI income guarantee level in the territories and possessions. For these jurisdictions, Congress continued the then existing program of aid and services for the aged, blind, and disabled. Under these programs, assistance is provided according to locally developed plans which can be more appropriately tailored to the circumstances prevailing in each area....

The covenant establishing a new U.S. Commonwealth of the Northern Mariana Islands, which was recently approved by the Senate, includes a provision making these Social Security Act programs applicable in that jurisdiction. A subsequent resolution providing funding for the Northern Mariana Islands was passed by the House of Representatives with amendments extending these Social Security Act programs also to Guam and permitting the President, subject to congressional veto, to extend them to other territories. When this matter was discussed by the Committee on Finance at its March 9, 1976, executive session, the committee urged that these provisions be stricken from that bill. I am pleased to note that the Senate has done just that.⁷²

The House ultimately agreed to the Senate amendment of H.J.Res 549.

In August 1976, the House passed the Supplemental Security Income Amendments of 1976 (H.R. 8911). Among its many provisions, the bill would have extended SSI to Puerto Rico, Guam, and the Virgin Islands on the same basis as the 1972 amendments. The House report accompanying the legislation noted:

Your Committee is convinced that payments made to aged, blind, and disabled persons in these jurisdictions are small and inadequate in comparison to their needs. The provision in your Committee's bill is the same as that adopted by the House in 1971. It would provide that each jurisdiction would participate in the SSI program on the basis of the relationship of its per capita income to the per capita income of the lowest of the fifty States. Your Committee understands that this will produce Federal benefits about sixty percent as high as that for the States in Puerto Rico, and somewhat higher amounts in Guam and the Virgin Islands. The payments would in no event exceed those made in the fifty States.⁷³

Although several of the SSI provisions in H.R. 8911 were incorporated by the Senate into the Unemployment Compensation Amendments of 1976 (P.L. 94-566), the provision to extend SSI to the territories was not included.⁷⁴

In its March 15, 1977 report to the House Committee on the Budget, the House Committee on Ways and Means recommended the extension of SSI to Puerto Rico, Guam, and the Virgin Islands on the same basis as the other bills.⁷⁵ In May of that year, the House Committee on Ways and Means held a hearing on public assistance proposals, including the committee's recommendation to the House Committee on the Budget to extend SSI to the territories.⁷⁶ On June 7, the House Committee on Ways and Means reported the Public Assistance Amendments of 1977 (H.R. 7200), which would have extended SSI to Puerto Rico on the same basis as the 1972 amendments and H.R. 8911. The report accompanying the bill stated,

⁷² Sen. Russell B. Long, "Statements of Introduced Bills and Joint Resolutions," remarks in the Senate, *Congressional Record*, vol. 122, part 5 (March 11, 1976), pp. 6244-6245. As part of his remarks, Senator Long introduced a bill (S. 3125) to exclude the Northern Mariana Islands from SSI and instead extend the federal matching grant programs under Titles I, X, XIV, and XVI to the islands.

⁷³ U.S. Congress, House Committee on Ways and Means, *Public Assistance Amendments of 1977*, report to accompany H.R. 8911, 94th Cong., 2nd sess., May 27, 1976, H.Rept. 94-1201 (Washington: GPO, 1976), p. 7.

⁷⁴ "SSI Program Changes." *CQ Almanac*, 1976, 32nd ed., pp. 628-33 (Washington, DC: Congressional Quarterly, 1977), <https://library.cqpress.com/cqalmanac/document.php?id=cqal76-1187559>

⁷⁵ U.S. Congress, House Committee on Ways and Means, *March 15 Report of the Committee on Ways and Means to the House Budget Committee on the Fiscal Year 1978 Budget*, committee print, 95th Cong., 1st sess., March 15, 1977, H.Prt. 95-13 (Washington: GPO, 1977), p. 23.

⁷⁶ U.S. Congress, House Committee on Ways and Means, Subcommittee on Public Assistance and Unemployment Compensation, *Public Assistance Legislative Recommendations*, 95th Cong., 1st sess., May 2, 3, 4, and 5, 1977, H.Hrg. 95-14 (Washington: GPO, 1977).

The House has agreed on two separate occasions to extend SSI to Puerto Rico, Guam, and the Virgin Islands—once in the 92nd Congress when the House passed H.R.1, which established the SSI program, and more recently in the SSI bill (H.R. 8911) passed by the House last year. In both instances, the Senate refused to accept the provision. The Committee believes that it is necessary and appropriate to extend the SSI program to the needy aged, blind and disabled residing in Puerto Rico, Guam, and the Virgin Islands who, like their counterparts in the States, are most vulnerable to poverty because of their physical inability to work.⁷⁷

The Senate Committee on Finance held a hearing on H.R. 7200 in July of that year at which the Governor of Puerto Rico testified that not only should SSI be extended to the island but also that maximum benefit levels should be gradually phased in to equal benefit levels in the states.⁷⁸ Under this proposal, maximum benefit levels in Puerto Rico would have increased from 60% of the federal benefit rate in 1978 to 100% in 1982.

Table 6. House-Passed Bills and Resolutions to Provide SSI to Puerto Rico

Bill	Nature of the Extension	Action in the Senate	End Result
Social Security Amendments of 1972 (H.R.1; P.L. 92-603)	SSI federal benefit rate reduced by the ratio of Puerto Rico's per capita income to the state with the lowest per capita income	Deleted provisions extending SSI to the territories	Conference agreement followed the Senate
Covenant to Establish a Commonwealth of the Northern Mariana Islands in Political Union with the United States of America (H.J.Res 549; P.L. 94-241)	Granted the President discretionary authority to extend SSI and other programs to Puerto Rico, subject to congressional veto	Deleted provision	House agreed to Senate amendment
Supplemental Security Income Amendments of 1976 (H.R. 8911)	SSI federal benefit rate reduced by the ratio of Puerto Rico's per capita income to the state with the lowest per capita income	Declined to act on H.R. 8911	A few SSI provisions from H.R. 8911 were attached to P.L. 94-566, none of which dealt with the territories
Public Assistance Amendments of 1977 (H.R. 7200)	SSI federal benefit rate reduced by the ratio of Puerto Rico's per capita income to the state with the lowest per capita income	Deleted provisions extending SSI to the territories Instead, increased the federal financial participation (FFP) rate and the Section 1108 funding caps	Postponed indefinitely

Source: CRS.

Notes: Bills and resolution available upon request.

SSA estimated that the provision to extend SSI to the territories under H.R. 7200 would have increased the number of aged, blind, or disabled residents of Puerto Rico receiving cash assistance from 35,384 to 185,000—a 423% increase.⁷⁹ The Senate version of the bill would have instead increased the federal

⁷⁷ U.S. Congress, House Committee on Ways and Means, *Public Assistance Amendments of 1977*, report to accompany H.R. 7200, 95th Cong., 1st sess., June 7, 1977, H.Rept. 95-394, p. 47.

⁷⁸ Testimony of Carlos Romero-Barcelo, Governor of Puerto Rico, in U.S. Congress, Senate Committee on Finance, *Public Assistance Amendments of 1977*, 95th Cong., 1st sess., July 12, 18, 19, and 20, 1977, S.Hrg. 95-16 (Washington: GPO, 1977), pp. 192-194.

⁷⁹ U.S. Congress, Senate Committee on Finance, *Public Assistance Amendments*, committee print, 95th Cong., 1st sess., July 11, 1977, S.Prt. 95-12 (Washington: GPO, 1977), p. 11, <http://www.finance.senate.gov/imo/media/doc/sprt95-12.pdf>.

matching rate from 50% to 75%, which is the current standard, and increased the Section 1108 cap for Puerto Rico from \$24 million to \$72 million.⁸⁰ The Senate version of the bill would have also extended AABD to the Northern Mariana Islands.⁸¹ In the end, H.R. 7200 was postponed indefinitely.

According to one-year estimates from the 2015 American Community Survey (ACS), the per capita income of Puerto Rico was \$11,677, and the state with the lowest per capita income was Mississippi at \$21,291.⁸² The SSI federal benefit rate in 2015 was \$733 per month for an individual and \$1,100 per month for a couple (the same as in 2016). Under the House-passed bills, the federal benefit rate would have been reduced by the ratio of Puerto Rico's per capita income to Mississippi's per capita income ($\$11,677/\$21,291 = 0.548$), resulting in a maximum monthly federal benefit of \$402 for an individual ($\733×0.548) and \$603 for a couple ($\$1,100 \times 0.548$).

The per capita income reduction would have also applied to SSI's resource limits, which are currently \$2,000 for an individual and \$3,000 for a couple. These limits are not indexed to inflation and have remained at their current levels since 1989. The applicable resource limits in 2015 would have been \$1,097 for an individual ($\$2,000 \times 0.548$) and \$1,645 for a couple ($\$3,000 \times 0.548$) under the formula established by the House-passed bills. Because the AABD resource limit in Puerto Rico is \$2,000, it would have been *more difficult* to qualify for SSI in 2015 using the formula established by the House-passed bills than it would have been to qualify for AABD, at least with respect to asset tests.

⁸⁰ U.S. Congress, Senate Committee on Finance, *Public Assistance Amendments of 1977*, report to accompany H.R. 7200, 95th Cong., 1st sess., November 1, 1977, S.Rept. 95-573, p. 18, <http://www.finance.senate.gov/imo/media/doc/srpt95-573.pdf>.

⁸¹ *Ibid.*

⁸² U.S. Department of Commerce, U.S. Census Bureau, "American FactFinder: Selected Economic Characteristics, 2015 American Community Survey 1-Year Estimates," http://factfinder.census.gov/faces/tableservices/jsf/pages/productview.xhtml?pid=ACS_15_1YR_DP03&prodType=table.

Appendix. Supplemental Data

Table 7. Number of AABD Recipients in Puerto Rico, by Category, 1984-2016

Year	Total	Aged	Blind	Disabled
1984	46,932	19,497	340	27,095
1985	47,387	19,155	320	27,912
1986	48,052	18,835	327	28,890
1987	48,746	18,735	337	29,674
1988	48,022	18,450	326	29,246
1989	48,632	18,308	329	29,995
1990	49,648	18,202	345	31,101
1991	51,988	18,391	375	33,222
1992	53,618	18,065	380	35,173
1993	52,841	17,619	323	34,899
1994	56,685	22,432	381	33,872
1995	52,813	20,528	267	32,018
1996	49,978	19,246	252	30,480
1997	38,830	14,179	204	24,447
1998	a	20,001	a	a
1999	a	a	a	a
2000	36,642	12,115	158	24,369
2001	37,455	11,900	163	25,392
2002	40,571	12,006	184	28,381
2003	41,043	12,394	198	28,451
2004	42,308	13,917	227	28,164
2005	44,795	13,860	246	30,689
2006	39,210	12,738	258	26,214
2007	37,848	12,932	253	24,663
2008	36,540	13,007	245	23,288
2009	37,458	13,084	237	24,137
2010	33,396	13,536	226	19,634
2011	36,832	a	a	a
2012	a	14,949	a	20,871
2013	a	15,412	a	20,702
2014	a	15,926	a	19,456
2015	37,346	a	a	a
2016	36,957	16,314	193	20,450

Source: CRS, based on information from ACF and the following sources: Governor’s Office of Management and Budget, Federal Funds Management Area, “Social Assistance Program Participation by Municipality: 1983-2010,”

<http://www2.pr.gov/agencias/FederalFunds/Statistics/Pages/STATISTICS-Social-and-Health.aspx>; ADSEF, “Estadísticas de Beneficios de PAN y TANF,” <https://data.pr.gov/Familia-y-Servicio-Social/Estadisticas-de-Beneficios-de-PAN-y-TANF/rd77-7s4b>; and ADSEF, *Memorial Explicativo del Presupuesto Recomendado, 2016-2017*, June 30, 2016, <http://www2.pr.gov/ogp/Bvirtual/memExpPres/PDF/Agencias/ADSEF-17.pdf>.

Notes: AABD = Aid to the Aged, Blind, or Disabled. Measurement information on data for 1984-2010 is unknown. Data for 2011 are for September. Data for 2012 and 2013 are for December, while data for 2014 are for August. Data for 2015 reflect the average number of recipients during FY2015. Data for 2016 are for April.

a. Not available.

Table 8. Cash Assistance Programs for the Aged, Blind, and Disabled Under the Social Security Act, by Number of Adult Recipients and Average Monthly Payment Amount, 2011

Area	Number of Recipients Aged 18 or Older	Average Monthly Payment
Old-Age Assistance (OAA), Aid to the Blind (AB), and Aid to the Permanently and Totally Disabled (APTD)		
Guam	650	\$150.00
Virgin Islands	1,018	\$176.07
Aid to the Aged, Blind, or Disabled (AABD)		
Puerto Rico	36,832	\$73.85
Supplemental Security Income (SSI)		
Northern Mariana Islands	668	\$525.69
50 States and the District of Columbia	6,834,983	\$483.05

Source: CRS, based on data from ACF and SSA, *SSI Annual Statistical Report, 2011*, September 2012, Table 10, https://www.ssa.gov/policy/docs/statcomps/ssi_asr/2011/index.html.

Notes: Data for Puerto Rico are for September 2011. Data for Guam are for FY2011. Data for the Virgin Islands, the Northern Mariana Islands, the 50 states, and the District of Columbia are for December 2011.