

COLAs for FACTS about Cash Assistance

TFA and SAGA have not had a COLA in 5 years.

State law requires an annual cost of living adjustment (COLA) in the cash assistance benefit for the State Administered General Assistance (SAGA) and Temporary Family Assistance (TFA) programs. But for 8 of the last 12 years, the legislature has opted not to fund it.

State Supplemental Assistance for Aged, Blind and Disabled (State Supp, or AABD) Benefit has not had a COLA in 5 years.

The maximum benefit and the income disregard have risen twice in 23 years.

Without a funded COLA, the value of cash benefits has eroded dramatically.

- In 1996, the maximum TFA benefit for a family of three was \$636, which was about 60 % of the Federal Poverty Level (FPL).
- Today, 23 years later, that same family structure receives \$698, or 40% of the current FPL.
 - o This represents a current buying power 33% lower than in 1996.
- Along with TFA, SAGA's COLA has been applied sporadically.
 - o SAGA's maximum allowance of \$212 per month provides an annual income of \$2544, or 12% FPL.
- No COLA is a double whammy for State Supp.
 - o Neither the max amount nor the income disregard has been adjusted to account for Supplemental Security Income (SSI) and Social Security Disability Insurance (SSDI) cost of living adjustments.
 - o Recipients are thus denied the benefit of federal SSI and SSDI COLA.

Studies demonstrate that cash assistance is a cost effective method for ensuring families can meet their basic needs.

- Recent changes in SNAP rules means that many families will have more trouble meeting basic needs.

Funding the COLA is a reasonable investment:

- The COLA is determined by the consumer price index for urban populations (CPI-U), which in 2019 was 2.3%.
- Funding the COLA this year would cost \$1.34 million for TFA, \$1.38 million for AABD, and \$407,619 for SAGA over the appropriated FY2021 budget.

