

**STORAGE NAME:**h0017s1.cfe

**DATE:** February 17, 1997

**HOUSE OF REPRESENTATIVES  
COMMITTEE ON  
CHILDREN AND FAMILY EMPOWERMENT  
BILL ANALYSIS & ECONOMIC IMPACT STATEMENT**

**BILL #:** CS for HB 0017

**RELATING TO:** Welfare Reform

**SPONSOR(S):** Representative Rodriguez-Chomat

**STATUTE(S) AFFECTED:** Chapter 414, Florida Statutes

**COMPANION BILL(S):** SB 158

**ORIGINATING COMMITTEE(S)/COMMITTEE(S) OF REFERENCE:**

- (1) CHILDREN AND FAMILY EMPOWERMENT 5 YEARS 3 DAYS
- (2) HEALTH AND HUMAN SERVICES [FISCAL]
- (3)
- (4)
- (5)

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**SUMMARY:**

Title IV, of the federal " Personal Responsibility and Work Opportunity Reconciliation Act of 1996" (P.L. 104-193) restricted the access of legal immigrants to public benefits including Medicaid, supplemental security income (SSI), and food stamp benefits.

Committee Substitute for House Bill 17 requires that the State of Florida:

- not discriminate between United States Citizens and legal residents of the United States in the provision of public assistance to qualified persons residing in the state;
- provide legal residents residing in Florida as of February 1, 1997, who are eligible to apply for citizenship and have applied for citizenship by June 30, 1997, and who have lost cash assistance, Medicaid, supplemental security income (SSI), or food stamp benefits due to the provisions of Public Law 104-193 with equivalent benefits while the resident's application for citizenship is pending;
- provide legal residents residing in Florida as of February 1, 1997, who are not eligible to apply for citizenship on that date, who have applied for citizenship within 90 days of becoming eligible, and who have lost cash assistance, Medicaid, supplemental security income (SSI), or food stamp benefits due to the provisions of Public Law 104-193 with equivalent benefits while the resident's application for citizenship is pending;
- provide benefits which are equivalent to Medicaid and other public assistance benefits to legal residents of the United States residing in Florida on June 30, 1997, who are 65 years of age or older on the effective date of the act, or who are physically or mentally incapacitated, who have lost benefits, and who have applied for but been unable to obtain citizenship through no fault of their own.

Assuming a declining caseload of 25,000 non-resident aliens eligible for the program becoming citizens each month, the fiscal impact of HB 17 is estimated at approximately \$226 million in 1997-98 and \$134 million in 1998-99.

I. SUBSTANTIVE ANALYSIS:

A. PRESENT SITUATION:

On August 22, 1996, Title IV, the " Personal Responsibility and Work Opportunity Reconciliation Act of 1996" (P.L. 104-193 - the Welfare Act) was signed into law by the President. This legislation dramatically altered the current welfare system and restricted the access of legal immigrants to a wide range of public benefits. These services include Medicaid, supplemental security income (SSI), and food stamp benefits.

General Benefit Eligibility Restrictions for Legal Aliens

The federal legislation created a new eligibility category called "qualified aliens" which consists of:

- lawful permanent residents;
- refugees (including conditional entrants), asylees, and persons who have had their deportation withheld;
- parolees admitted for at least 1 year; and
- certain battered aliens and alien parents of battered children (added by the '96 Act).

All other categories are considered "not qualified aliens."

The federal legislation bars most qualified aliens from food stamps and Supplemental Security Income (SSI) with certain exceptions. It also bars qualified aliens admitted to the United States on or after August 22, 1996 from federal means-tested programs for 5 years. The Department of Justice is currently working on a definition of federal means-tested programs.

Current permanent residents remain eligible for all benefits except food stamps and SSI, unless the states they live in choose to bar them from Temporary Assistance for Needy Families (TANF, replacing Aid to Families with Dependent Children); Medicaid; and Title XX Social Services (a block grant funding such services as child care and services for the elderly). Florida has not chosen to bar lawful residents from additional benefits.

The Department of Agriculture and the Social Security Administration must recertify eligibility of persons currently receiving food stamps and SSI by August 22, 1997. Those aliens who have not naturalized or are not in a category excepted from the bar will receive notice of losing benefits sometime before that date. The '96 Act extended the beginning of recertification of current food stamp recipients to April 1, 1997.

Three groups of qualified aliens are exempt from the food stamps and SSI restrictions, the optional state restrictions on TANF, Medicaid, Title XX Social Services, and the 5-year bar on federal means-tested public benefit programs:

1. Certain aliens admitted for humanitarian reasons for 5 years (refugees, asylees and those with their deportation withheld);
2. Veterans, those on active duty in the Armed Forces, their spouses and unmarried dependent children; and

3. Lawful permanent residents who can be credited with 40 qualifying quarters or work and who did not receive any federal means-tested benefits during any of those quarters after 12/31/96.

Qualified aliens are eligible for certain programs:

- emergency Medicaid,
- short-term, non-cash emergency relief, services provided under the National School Lunch Act and the Child Nutrition Act,
- immunizations,
- testing and treatment for communicable diseases,
- foster care and adoption assistance,
- student assistance under the Higher Education Act and the Public Health Service Act, means-tested programs under the Elementary and Secondary Education Act,
- Head Start,
- the Job Training Partnership Act, and
- other programs, services or assistance the Attorney General specifies as necessary for the protection of life or safety, including child protection, treatment of mental illness or substance abuse, short-term shelter or housing assistance for the homeless and for victims of domestic abuse, soup kitchens, food banks, and medical and public health services.

Under the '96 Act, states are allowed to limit or prohibit eligibility for all or certain categories of aliens for state general cash public assistance. However, states cannot place greater restrictions on alien eligibility than comparable federal programs place on alien eligibility.

#### Naturalization

Immigrants who naturalize will be not be subject to the restrictions placed on alien eligibility for benefits. The President has issued a directive to all cabinet agencies to provide support for naturalization of immigrants who qualify and desire to become citizens.

The national office of the Immigration and Naturalization Service (INS) anticipates a process (from filing an application to taking the oath of allegiance) that takes approximately 6 months. The processing time for any particular district office will vary. If the number of new applications increases significantly, processing time may take longer than 6 months. On the other hand, the Florida Department of Children and Families reports that local INS personnel estimate the processing time at 12 months.

If a proposed INS Rule is adopted, INS may waive the requirement to read, write, and speak simple words and phrases in English for certain persons. This requirement would be waived for any person over 50 years of age with at least 20 years as permanent residents and persons over 55 years old with 15 years as permanent residents. INS would also give special consideration concerning the civics knowledge requirement to persons over age 65 with 20 years as permanent residents. The impact of these waivers depends on the implementation by INS.

INS has published a proposed rule potentially exempting individuals with "physical or developmental disabilities" or "mental impairments" from the English and civics

requirements for naturalization. No exemption appears to be possible through rule for those who are unable, due to mental impairment, to choose to become naturalized citizens. The final rule was expected in December 1996 but is not yet finalized.

Currently there are no individuals who have been affected by the changes in federal law because the Department of Children and Families has delayed beginning to work on implementing federal changes until April of 1997 with the goal of implementing the changes by the federal deadline of August, 1997.

#### EFFECT OF PROPOSED CHANGES:

This bill provides cash assistance, medical assistance, and food stamps to certain alien residents who were adversely affected by the provisions of P.L. 104-193. The bill:

- provides legal residents residing in Florida as of February 1, 1997, who are eligible to apply for citizenship, who have applied for citizenship by June 30, 1997, and who have lost cash assistance, Medicaid, supplemental security income (SSI), or food stamp benefits due to the provisions of the federal Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (Public Law 104-193) with equivalent benefits while the resident's application for citizenship is pending;
- provides legal residents residing in Florida as of February 1, 1997, who are not eligible to apply for citizenship on that date, who have applied for citizenship within 90 days of becoming eligible, and who have lost cash assistance, Medicaid, supplemental security income (SSI), or food stamp benefits due to the provisions of the federal Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (Public Law 104-193) with equivalent benefits while the resident's application for citizenship is pending;
- provides benefits which are equivalent to Medicaid and other public assistance benefits to legal residents of the United States residing in Florida on June 30, 1997, who are 65 years of age or older on the effective date of the act, or who are physically or mentally incapacitated, who have lost benefits, and who have applied for but been unable to obtain citizenship through no fault of their own; and
- provides benefits to a relatively small number of current benefit recipients who would become "not qualified " under federal legislation but be eligible for benefits under this bill.

#### C. APPLICATION OF PRINCIPLES:

##### 1. Less Government:

- a. *Does the bill create, increase or reduce, either directly or indirectly:*

I. *Any authority to make rules or adjudicate disputes?*

The Department of Children and Families may need to create rules to administer the program.

ii. *Any new responsibilities, obligations or work for other governmental or private organizations or individuals?*

The bill will require that the state establish an additional system for providing services to individuals effected by the bill. This includes additional screening of applicants for assistance, provision of benefits, and tracking of state funds. However, it appears that the distribution of benefits could be accomplished by flowing state funds through existing federally funded systems.

iii. *Any entitlement to a government service or benefit?*

This bill creates a state funded entitlement within the limits described in the bill.

b. *If an agency or program is eliminated or reduced:*

I. *What responsibilities, costs and powers are passed on to another program, agency, level or government, or private entity?*

N.A.

ii. *What is the cost of such responsibility at the new level/agency?*

N.A.

iii. *How is the new agency accountable to the people governed?*

N.A.

2. Lower Taxes:

a. *Does the bill increase anyone's taxes?*

The bill would require an increase in state funded expenditures which could create a situation in which taxes are required in order to prevent reductions in funding to other critical state programs.

b. *Does the bill require or authorize an increase in any fees?*

No.

c. *Does the bill reduce total taxes, both rates and revenues?*

No.

d. *Does the bill reduce total fees, both rates and revenues?*

No.

e. *Does the bill authorize any fee or tax increase by any local government?*

No.

3. Personal Responsibility:

a. *Does the bill reduce or eliminate an entitlement to government services or subsidy?*

No. The bill maintains an entitlement eliminated by federal law.

b. *Do the beneficiaries of the legislation directly pay any portion of the cost of implementation and operation?*

The program would maintain the co-payment or partial payment of services which currently exists in the Medicaid and food stamp programs.

4. Individual Freedom:

a. *Does the bill increase the allowable options of individuals or private organizations/associations to conduct their own affairs?*

The bill could be viewed as facilitating the process of qualifying for citizenship.

b. *Does the bill prohibit, or create new government interference with, any presently lawful activity?*

No.

5. Family Empowerment:

a. If the bill purports to provide services to families or children:

i. *Who evaluates the family's needs?*

Family needs are evaluated within the current systems for providing government services.

ii. *Who makes the decisions?*

The bill provides for the state to offset the impact of a negative result from an application for naturalization by the Immigration and Naturalization service.

iii. *Are private alternatives permitted?*

Services would continue to be offered through a combination of state and private agencies.

iv. *Are families required to participate in a program?*

No.

v. *Are families penalized for not participating in a program?*

No.

b. *Does the bill directly affect the legal rights and obligations between family members?*

The bill could reduce or eliminate the financial support of extended family members who might have provided support to the legal alien if no other method of government support was available.

c. *If the bill creates or changes a program providing services to families or children, in which of the following does the bill vest control of the program, either through direct participation or appointment authority:*

The bill continues current federal programs with state funding.

i. *Parents and guardians?*

ii. *Services providers?*

iii. *Government employees/agencies?*

#### D. SECTION-BY-SECTION ANALYSIS:

**SECTION 1.** Provides that the State of Florida shall not discriminate between United States Citizens and legal residents of the United States in the provision of public assistance to qualified persons residing in the state. Non-discrimination appears to be defined by the two subsections.

Subsection (1) provides a short title.

Subsection (2) provides that the State of Florida shall not discriminate between United States Citizens and legal residents of the United States in the provision of public assistance to qualified persons residing in the state as of February 1, 1997. Non-discrimination appears to be defined by the subsections.

Paragraph (a) provides that a legal resident of the United States residing in Florida as of February 1, 1997, who is eligible to apply and who has applied for citizenship by June

30, 1997 and has lost Medicaid, supplemental security income (SSI), or food stamp benefits due to the provisions of the federal Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (Public Law 104-193) is eligible for benefits during the period in which the resident's application for citizenship is pending.

Paragraph (b) provides that a legal resident of the United States residing in Florida as of February 1, 1997, who is not eligible to apply for citizenship until a date subsequent to February 1, 1997 and has lost Medicaid, supplemental security income (SSI), or food stamp benefits due to the provisions of the federal Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (Public Law 104-193) is eligible for benefits up until 90 days after the resident is eligible to apply for citizenship.

Paragraph (c) provides that legal residents of the United States residing in Florida as of February 1, 1997 who are 65 years of age or older on the effective date of the act, or who are physically or mentally incapacitated, and who have lost benefits and have applied for but been unable to obtain citizenship through no fault of their own are eligible to receive benefits under state law which are equivalent to the Medicaid and other public assistance benefits provided to United States citizens who are 65 years of age or older, or who are physically or mentally incapacitated.

Paragraph (d) provides that a legal resident who travels or transmit money or goods other than medicine to Cuba shall automatically lose benefits.

Subsection (3) provides definitions for the terms mental incapacitation, developmental disability, mental impairment and physical disability.

Subsection (4) Provides definitions of residency modeled after the provisions of s. 240.1201, F.S. This section provides detailed criteria for determining the residency status of various circumstances of:

- dependent children living with their parents,
- dependent children living with an adult relative other than the parents,
- dependent children whose parents are divorced,
- married individuals whose spouse resides outside the state,
- married individuals whose spouse resides in the state,
- individuals who become married to a resident, and
- individuals who serve in the Armed Forces of the united States outside this state.

Subsection (5) provides that nothing contained in this section shall be construed to provide more benefits or additional benefits to a legal immigrant than to a citizen.

**SECTION 2.** Creates an effective date of upon becoming law.



II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT:

A. FISCAL IMPACT ON STATE AGENCIES/STATE FUNDS:

The bill would replace federal funding for Supplemental Security Assistance and Food Stamps for affected individuals.

1. Non-recurring Effects:

The cost associated with this bill will decline as those residents eligible for citizenship become citizens. The non-recurring cost associated with this bill is the time-limited cost of funding benefits for those who are waiting for their naturalization applications to be processed. Actual numbers of those eligible for this provision are not available. The majority of non-recurring costs would occur during 1997-98.

The following is based on a cost estimate by the Department of Children and Families which reflects an estimated downward trend in caseload for food stamps and SSI. The difference between 1997-8 costs and 1998-9 cost are reflected here as non-recurring:

	<u>Food Stamps</u>	<u>SSI</u>	<u>Administration</u>	<u>Total</u>
Cost of Four Months of Lost Benefits	\$27 million	\$58 million	\$7 million	\$92 million

2. Recurring Effects

CSHB 17 provides benefits equivalent to benefits for state citizens to those who are not yet eligible to apply for citizenship and to those whose application is pending. Additional recurring costs of this bill relate to those who lose benefits and are 65 years or older on the effective date of the act or are disabled and have applied for but been unable to obtain citizenship through no fault of their own.

**Recurring Costs**

	<u>TANF</u>	<u>Food Stamps</u>	<u>Medicaid</u>	<u>SSI</u>	<u>Administration</u>	<u>Total</u>
1997-98	\$.6 million	\$38 million	\$3 million	\$86 million	\$5 million	\$134 million
1998-99	\$.6 million	\$38 million	\$3 million	\$86 million	\$5 million	\$134 million

The bill could provide some cost avoidance if individuals who lost food stamp and SSI eligibility would have gone into a Medicaid funded nursing home were it not for the provisions of this bill. The state pays 45% of the average \$28,000 cost of a Medicaid funded nursing home or \$12,600 per year. By comparison, Food Stamp benefits average \$944 per year and SSI benefits average \$4,104, for a total of \$5,048 per year.

3. Long Run Effects Other Than Normal Growth:

None anticipated

4. Total Revenues and Expenditures:

The following table assumes that the caseload will decline by 25,000 each year due to naturalization. If the naturalization process slows down the maximum cost of the bill could move much higher. With no caseload decline (naturalization at a stand-still) the maximum cost is estimated by the Department of Children and Families at \$305 million in 1997-98 and \$328 million in 1998-99. On the other hand, the calculations assume that all affected legal residents have applied for citizenship. The actual number would be less because some legal residents won't apply for citizenship within the deadline of the bill.

It should be noted that the data on which these calculations are based has only recently become available and that there has been insufficient time to examine these data and to consider its most effective and accurate use. It is anticipated that more information will continue to become which may alter these estimates.

**Estimated Cost of Replacing Lost Benefits to Selected Non-Citizen Legal Residents**

	<u>TANF</u>	<u>Food Stamps</u>	<u>Medicaid</u>	<u>SSI</u>	<u>Administration</u>	<u>Total</u>
1997-98	\$ .6 million	\$66 million	\$3 million	\$143 million	\$17 million	\$226 million
1998-99	\$ .6 million	\$39 million	\$3 million	\$86 million	\$14 million	\$134 million

Non recurring costs would primarily be felt in 1997-8.  
Also see II A. 1 & 2 above

**B. FISCAL IMPACT ON LOCAL GOVERNMENTS AS A WHOLE:**

1. Non-recurring Effects:

The changes in federal law are expected to pose problems for local health and social services budgets. As more legal immigrants face the food stamp, Medicaid and SSI ban, they will be turning to local government for general relief and health care. This bill may reduce some costs to local government that could result from the reduction in SSI, Medicaid and food stamp benefits to legal aliens.

2. Recurring Effects:

The changes in federal law are expected to pose problems for local health and social services budgets. As more legal immigrants face the food stamp, Medicaid and SSI ban, they will be turning to local government for general relief and health care. This bill may reduce some costs to local government that could result from the reduction in SSI, Medicaid and food stamp benefits to legal aliens.

3. Long Run Effects Other Than Normal Growth:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

1. Direct Private Sector Costs:

NA

2. Direct Private Sector Benefits:

NA

3. Effects on Competition, Private Enterprise and Employment Markets:

NA

D. FISCAL COMMENTS:

The fiscal impact of P.L. 104-193 will largely depend on the rate at which Florida resident non-citizens become naturalized. As a result, estimates of the cost impact of this bill can not be made with confidence until much later in the year. Also see Section A of the fiscal analysis.

III. CONSEQUENCES OF ARTICLE VII, SECTION 18 OF THE FLORIDA CONSTITUTION:

A. APPLICABILITY OF THE MANDATES PROVISION:

This bill does not require counties or municipalities to spend funds or to take an action requiring the expenditure of funds.

B. REDUCTION OF REVENUE RAISING AUTHORITY:

This bill does not reduce the authority that municipalities or counties have to raise revenues in the aggregate.

C. REDUCTION OF STATE TAX SHARED WITH COUNTIES AND MUNICIPALITIES:

This bill does not reduce the percentage of a state tax shared with counties or municipalities.

IV. COMMENTS:

The status of two populations currently receiving benefits is unclear. It is unclear what happens to the benefits of those who have applied for naturalization, been denied and who have reapplied. A second group are those who are too elderly and/or disabled to even indicate a desire for citizenship. While there is a pending INS rule which would provide disability waivers of the civics and language requirements for some of the affected recipients, the rule is being held up while INS debates its authority to provide waivers for this group of severely disabled. There is no clear authority for a waiver if the resident cannot indicate a desire to apply for citizenship. It is not clear that this bill would provide benefits to this population

A major opportunity for reducing the cost of this bill would be to accelerate the naturalization process. An essential component of this is in the hands of the Department of Justice and Congress. A complete FBI background check is now required before a naturalization request is approved. The old procedure allowed a limited, fixed period of time for the FBI background check. Prior to this requirement, the Citizenship USA program had reduced the turn-around time for processing naturalization requests to 6 months. Now estimates for Dade county are for a turn-around of more than 12 months and it is conceivable that as the FBI backlog grows, turn-around will be much longer. This will add greatly to State expense of maintaining support for the affected population and economic impact of the reduction in federal benefits revenue to the state.

Consideration could also be given to a current year (FY 1996-97) appropriation to assist affected individuals with the naturalization process in order to move this population as quickly as possible back onto federally funded benefits.

V. AMENDMENTS OR COMMITTEE SUBSTITUTE CHANGES:

The amendments to HB 17 broadened eligibility for the new state program to

- provide benefits to those who are not eligible to apply for citizenship until after February 1, 1997, until 90 days after their date of eligibility for citizenship.
- provide permanent benefits for the disabled who are unable to obtain citizenship through no fault of their own.

As a result of the amendments, the total annual fiscal impact was increased from and estimated maximum of \$200 million to a estimated actual of \$225 million in 1997-98 and \$134 million in 1998-99.

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VI. SIGNATURES:

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