WELFARE REFORM

Implications of Proposals on Legal Immigrants’ Benefits
Dear Mr. Ford:

During the past year, several bills were introduced in the Congress to reform the nation’s welfare system. Most of these reforms call for providing increased education, training, and supportive services to welfare recipients. To finance the increased costs of these reforms, some proposals, such as H.R. 4—currently before the 104th Congress—would restrict public assistance benefits to certain groups of legal immigrants. Such proposals may have stemmed from concerns raised about the sheer number of legal immigrants receiving benefits, about 1.4 million in 1993. Other proposals, such as the administration’s proposal, would require certain categories of immigrants to wait longer before receiving public assistance. These proposals stem from concerns raised about the number of immigrants that end up receiving public assistance, even though they were admitted into the country with a promise of financial support from a sponsor.¹

These proposals would affect several public assistance programs and you specifically asked us to focus on two key programs: Supplemental Security Income (SSI) and Aid to Families with Dependent Children (AFDC).² The SSI program provides cash benefits to poor aged, disabled, and blind individuals. SSI is federally funded, with some states providing a supplement. In 1993, federal and state expenditures for the almost 6 million SSI recipients were nearly $24 billion. The AFDC program provides cash benefits to poor families with children who lack support from one or both of their parents and is jointly funded with federal and state dollars.

¹As a condition of admittance to the United States, some immigrants are required to have a financial sponsor willing to provide financial support for 3 years.

²Under some proposals, legal immigrants would also lose eligibility for a wide range of assistance, including food stamps, Medicaid, the Earned Income Tax Credit, and low-income housing.
In 1993, about 14.1 million recipients received over $22 billion in federal and state AFDC payments. A recipient cannot receive both SSI and AFDC benefits.3

This report examines (1) how legal immigrants’ utilization of SSI and AFDC compares with that of citizens, (2) the trends in the numbers of legal immigrants receiving SSI or AFDC benefits, (3) the characteristics of immigrant recipients relevant to determining eligibility under the welfare reform proposals, and (4) the possible impacts of the proposals to restrict immigrants’ SSI and AFDC benefits on federal welfare programs. We also discuss possible impacts of the proposals on state general assistance programs and immigrants’ actions in response to these proposals. (See pp. 14-15.)

Results in Brief

Our work shows that the percentage of immigrants who receive SSI or AFDC is higher than the percentage of citizens receiving these benefits—6 percent of all immigrants receive benefits compared with 3.4 percent of all citizens. Most immigrant recipients live in four states: California, New York, Florida, and Texas; over one-half of all immigrant recipients live in California. Between 1983 and 1993, the number of immigrants receiving SSI more than quadrupled, increasing from about 151,000 to about 683,000. During this time period, immigrants grew from about 4 percent of all SSI recipients to over 11 percent. The growth was greatest in the aged program. As a percentage of all adult AFDC recipients, immigrants grew from about 5 percent to 8 percent. In all, immigrants received an estimated $3.3 billion in SSI benefits and $1.2 billion in AFDC benefits in 1993.

Most immigrant recipients are lawful permanent residents or refugees, but other characteristics of immigrants receiving SSI and AFDC vary. The two programs serve different populations. The number of immigrants receiving SSI aged benefits—available to those 65 years old and older—has increased dramatically. Within the aged program, a growing number of immigrant recipients are 75 years old and older. Most AFDC families with immigrant recipients also contain citizen recipients. Almost a third of immigrants receiving AFDC are refugees. However, data limitations provide an incomplete picture of immigrant SSI and AFDC recipients. For example, computerized information is not available on the number of immigrants with financial sponsors or the sponsors’ income.

3While no recipient may receive both SSI and AFDC benefits, families receiving AFDC may have one or more family members who receive SSI. For purposes of determining the amount of AFDC benefits the family may receive, an SSI recipient is not considered a part of the family. See the glossary for program definitions.
According to Congressional Budget Office (CBO) estimates, H.R. 4 would save $9.2 billion from the SSI program and $1 billion from the AFDC program over 4 years. Of immigrants receiving benefits in 1993, we estimate that over 522,000 SSI recipients and over 492,000 AFDC recipients would fall into categories where they would lose eligibility under this proposal—all immigrants would lose eligibility except lawful permanent residents 75 years old or older who have been in the United States at least 5 years and refugees who have been in the United States fewer than 6 years. The administration’s proposal would affect fewer immigrant recipients by extending the length of time a sponsor’s income is deemed available for the immigrant and tightening eligibility standards. CBO estimates that the two welfare reform proposals could save between $3.3 billion and $21.7 billion over 4 years from a variety of programs.

Background

Many categories of legal immigrants are currently eligible for SSI and AFDC benefits. SSI provides benefits to three groups of needy individuals: aged (65 years old and older), blind, and disabled. AFDC provides benefits to needy families with children. Immigrants eligible for assistance include those classified by the Immigration and Naturalization Service (INS) as lawful permanent residents. Also eligible for benefits are certain other legally admitted immigrants, classified by public assistance programs as permanently residing in the United States under color of law (PRUCOL).4 Under the SSI and AFDC programs, the PRUCOL category includes immigrants, such as refugees, asylees and certain others whose deportation INS does not plan to enforce. (See glossary.) However, a few small categories of immigrants considered as PRUCOL are not uniform between the two programs.

Some legal immigrants are admitted into the country under the financial sponsorship of a U.S. resident. The Immigration and Nationality Act of 1952, as amended, provides for the exclusion of any alien who is likely to become a public charge. Aliens can show prospective self-sufficiency through (1) proof of sufficient personal resources, (2) an offer of a job with adequate compensation, (3) posting of a public charge bond, or (4) an affidavit of support submitted on their behalf by a sponsor who preferably is a U.S. citizen or permanent resident. By signing the affidavit of support, sponsors attest to their ability and willingness to provide financial assistance to the immigrant. However, several courts have ruled that these affidavits of support are not legally binding.

4Implementing SSI regulations define a PRUCOL immigrant as an alien residing in the United States with the knowledge and permission of the INS and whose departure the INS does not contemplate enforcing. (20 C.F.R. § 416.1618.)
Concerned about the number of sponsored immigrants receiving public assistance, the Congress amended program statutes to include a sponsor-to-alien deeming period; that is, if a sponsored immigrant applies for public assistance before a certain time period, a portion of the sponsor's income and resources are deemed or assumed to be available for the immigrant's use (whether or not they are available in fact). This deeming provision is used to determine eligibility as well as benefit amount. For the AFDC program, this period is 3 years after admission to the United States as a permanent resident. In 1993, the deeming period for the SSI program was temporarily extended from 3 to 5 years, starting in January 1994 through September 1996. The deeming provisions do not apply if an immigrant becomes blind or disabled after admission to the United States as a permanent resident. Affidavits of support were amended so sponsors currently agree to provide financial support to the immigrant for 3 years.

The Responsibility and Empowerment Support Program Providing Employment, Child Care and Training Act of 1994, reintroduced as H.R. 4, the Personal Responsibility Act of 1995, introduced by a group of Republicans during the 104th Congress as part of their “Contract With America,” would eliminate most legal immigrants' eligibility for SSI and AFDC, as well as food stamps, Medicaid, foster care and adoption assistance, education programs and numerous other public assistance programs. Two groups would remain eligible: (1) Refugees in the country fewer than 6 years and (2) lawful permanent residents who are 75 years old and older and who have been in the country 5 years or more. The provisions of this proposal would go into effect 1 year after enactment with no grandfathering provision.

In contrast, the administration’s proposal would increase the time period that sponsors’ incomes would be deemed available to immigrants receiving AFDC, SSI, or food stamps to 5 years. After the fifth year, sponsored immigrants would still receive benefits if their sponsor’s income was below the U.S. median income. The proposal would become effective as of October 1995 and contains a grandfather clause protecting current recipients. Table 1 provides more detailed information on these two proposals.
### Table 1: Comparison of Two Welfare Reform Proposals

<table>
<thead>
<tr>
<th>Current policy</th>
<th>H.R. 4</th>
<th>Administration</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Eligibility</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lawful permanent resident Refugees</td>
<td>Lawful permanent resident, 75 years old or older, and resided in the United States at least 5 years.</td>
<td>Lawful permanent resident Refugees Asylees Other PRUCOL (stricter, standardized categories for all programs)</td>
</tr>
<tr>
<td>Asylees</td>
<td>Asylees Other PRUCOL (categories vary slightly between SSI and AFDC programs)</td>
<td></td>
</tr>
<tr>
<td>Other PRUCOL (categories vary slightly between SSI and AFDC programs)</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Time Limits for Receipt</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>No limits specified</td>
<td>Six years after entering the United States, refugees are no longer eligible.</td>
<td>Five years after entering the United States, sponsored immigrants are not eligible unless their sponsor’s income is below the U.S. median family income.</td>
</tr>
<tr>
<td><strong>Deeming</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SSI: Recently extended from 3 to 5 years (reverts back in 1996).</td>
<td>Not applicable.</td>
<td>Five-year deeming period for both SSI and AFDC.</td>
</tr>
<tr>
<td>AFDC: 3 years.</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Other</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Public assistance agencies must report illegal aliens with citizen children to INS.</td>
<td>Allows state and local public assistance programs to disqualify any immigrant who is disqualified from federal programs.</td>
<td></td>
</tr>
<tr>
<td>Goes into effect 1 year after enactment with no grandfathering provision.</td>
<td>Grandfather clause; that is, current recipients would still receive benefits as long as they remained continuously eligible.</td>
<td></td>
</tr>
</tbody>
</table>

### Scope and Methodology

To determine the number and characteristics of immigrants receiving SSI and AFDC benefits, we analyzed data from SSI and AFDC administrative files, as well as published data from INS and the Bureau of the Census. To identify trends in immigrant and citizen use of SSI and AFDC, we reviewed published administrative data from 1983 through 1993. We used published data from INS’s 1992 and 1993 Statistical Yearbooks and the March 1994 Supplement of the Census Bureau’s Current Population Survey (CPS) to provide background on overall immigration. The March 1994 CPS reports recipiency data for 1993.
To identify the characteristics of immigrant recipients who could lose benefits under the proposals, we reviewed current SSI and AFDC policies and four key welfare reform proposals. We also analyzed 1993 AFDC administrative data and SSI administrative data for December 1993. In addition, we reviewed a published study by the Social Security Administration (SSA)\(^5\) that included information about immigrants' use of SSI's aged, blind, and disabled benefits. INS defines immigrants as lawful permanent residents. For the purposes of this report, we also included as immigrants other categories of noncitizens who are eligible for SSI or AFDC: refugees, asylees, aliens granted stay of deportation by INS, and other PRUCOL individuals. We analyzed immigrant recipients' immigration status, length of time in the United States, and age—key characteristics in determining eligibility under the welfare reform proposals.

To determine the impact of restricting or eliminating benefits for immigrants, we reviewed four key welfare reform proposals. We used H.R. 4 and the administration's proposal as examples of the range of options available. To assess the impact of the proposals on immigrants and their families, we interviewed officials from the SSI and AFDC programs and from INS, researchers from public policy groups, and state and local government officials with information about immigrants' utilization of assistance programs.

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**Legal Immigrants More Likely to Receive Benefits Than Citizens**

Overall, immigrants as a group are more likely than citizens to be receiving SSI or AFDC benefits. Based on CPS data, immigrants receiving SSI or AFDC represented about 6 percent of all immigrants in 1993; in contrast, about 3.4 percent of citizens received such assistance.\(^6\) However, the total number of immigrants receiving SSI or AFDC is much lower than the number of citizens because legal immigrants represent only about 6 percent of the U.S. population. Based on 1993 administrative data, an estimated 18.6 million citizens received SSI or AFDC, compared with an estimated 1.4 million legal immigrants.

Much of the difference in recipiency rates between immigrants and citizens can be explained by differences in their demographic characteristics and household composition. Immigrants are much more

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\(^6\)We note that the CPS is based on a sample of all those over 15 years old in the interviewed household. Children under 15 are not included and, thus, our estimate does not completely represent the SSI and AFDC populations.
likely than citizens to be poor. In 1993, about 29 percent of immigrant households reported incomes below the poverty line, compared with 14 percent of citizen households. Researchers have noted that immigrant households have larger numbers of small children and elderly or disabled persons and contain more members with relatively little schooling and low skill levels. These are all characteristics that increase the likelihood of welfare recipiency. Public policy has also played a role in immigrants’ receipt of public assistance. Refugees and asylees are categories of immigrants who are much more likely to be on welfare than citizens or other immigrants. By virtue of their refugee or asylee status alone, they qualify immediately for assistance programs that may be restricted to other immigrants.

Almost 83 percent of all immigrants receiving SSI or AFDC in 1993 resided in four states: California, New York, Florida, and Texas. This is not surprising given that over 68 percent of all immigrants resided in these states. Over one-half of the immigrants receiving these benefits lived in California. (See table 2.)

<table>
<thead>
<tr>
<th>State</th>
<th>Percent of all immigrants</th>
<th>Percent of all immigrant recipients</th>
</tr>
</thead>
<tbody>
<tr>
<td>California</td>
<td>38.2</td>
<td>52.4</td>
</tr>
<tr>
<td>New York</td>
<td>12.6</td>
<td>18.2</td>
</tr>
<tr>
<td>Florida</td>
<td>8.9</td>
<td>8.2</td>
</tr>
<tr>
<td>Texas</td>
<td>8.6</td>
<td>4.1</td>
</tr>
<tr>
<td>Subtotal</td>
<td>68.3</td>
<td>82.9</td>
</tr>
<tr>
<td>All other states</td>
<td>31.7</td>
<td>17.1</td>
</tr>
</tbody>
</table>


As a percentage of all SSI recipients, immigrants receiving SSI benefits have increased dramatically. The percentage of SSI recipients who were immigrants nearly tripled between 1983 and 1993, rising from 3.9 to 11.5 percent. This rise occurred because the number of immigrants receiving SSI grew at a much faster rate than the number of citizen recipients. The number of immigrants receiving SSI increased from 151,207 to 683,178 while the number of citizen recipients increased from approximately

Immigrants Represent a Growing Percentage of SSI and AFDC Caseloads
3,750,300 to 5,301,200. In total, immigrants received an estimated $3.3 billion in SSI benefits in 1993.7

Between 1983 and 1993, the number of immigrants receiving aged benefits quadrupled (106,600 to 416,420), while the number of citizens receiving aged benefits decreased by 25 percent (1,408,800 to 1,058,432). Consequently, aged immigrant recipients grew from 7.0 to 28.2 percent of all aged recipients. Over the same time period, the number of immigrants receiving disabled benefits increased six-fold (44,600 to 266,730), while the number of citizens receiving disabled benefits increased by 81 percent (approximately 2,341,500 to 4,242,800). As a result, the percentage of disabled immigrants more than tripled, rising from 1.9 to 5.9 percent of all disabled recipients. (See fig. 1.)

Figure 1: Immigrants' Receipt of SSI Benefits Has Grown (1983-93)

Note: A logarithmic scale was used to illustrate relative rather than absolute changes in numbers of recipients.

7Estimated by multiplying the total number of immigrants receiving SSI by the average SSI monthly payment to immigrants, times 12 months ((683,178 x $407.33) x 12)). Data were not available to estimate 1983 benefits.
Immigrants as a percentage of all AFDC recipients grew at a lower rate than immigrants receiving SSI benefits. Adult immigrants receiving AFDC increased from 5.5 to 10.8 percent between 1983 and 1993. In 1993, almost 722,000 immigrants, including adults and children, received an estimated $1.2 billion in AFDC benefits.

Characteristics of Immigrant Recipients Vary by Program

The characteristics of immigrants receiving SSI and AFDC differ, but data limitations prevent a complete analysis. Available data show that SSI immigrant recipients are more likely than citizens to be 75 years old or older—the age that H.R. 4 uses to determine eligibility. Most AFDC families containing immigrant recipients also contain citizen recipients. Only the immigrants in these families would lose benefits under some of the proposals—the citizen members of these families would remain eligible. Compared with SSI recipients, AFDC recipients are more likely to be refugees. However, available data provide an incomplete picture of immigrant recipients, and even less is known about their sponsors.

Immigrants Receiving SSI More Likely to Be 75 Years Old or Older

As noted earlier, immigrants account for an increasingly greater percentage of the SSI aged program. Moreover, immigrant recipients are more likely than citizen recipients to be 75 years old or older. In 1993, 26 percent of immigrants on SSI aged benefits were 75 years old or older; in contrast, 15.3 percent of citizen SSI recipients were 75 years old or older.

Most immigrants receiving SSI are lawful permanent residents, and many have been in the country for over 5 years. Among immigrants receiving SSI benefits in 1993, over 76 percent were lawful permanent residents, 18 percent were refugees or asylees, and 6 percent were other PRUCOL immigrants. (See fig. 2.) Of lawful permanent residents, over 56 percent had been in the country for 5 years or longer. About 10 percent of lawful permanent residents were 75 years old or older and had been in the country for 5 years or longer. Over 14 percent of refugees had been in the country for 6 years or longer.

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8Published data on immigrant children receiving AFDC benefits are not available for any time before 1991.

9Estimated by multiplying total number of immigrants receiving AFDC by the average AFDC monthly payment per recipient, times 12 months (721,826 x $133.00) x 12). Data were not available on 1983 recipients.
Questions have been raised about the growing numbers of elderly immigrants receiving SSI and the extent to which these immigrants entered the United States with a financial sponsor. While we cannot determine the extent to which immigrants receiving SSI are sponsored, SSA’s data suggest that some immigrants apply for SSI benefits shortly after a deeming period would have expired. Analyses by SSA researchers indicate that about 25 percent of lawful permanent residents who applied for SSI benefits since 1980 applied soon after 3 years of U.S. residency; that is, soon after the sponsor’s promise of support would have expired.

Most AFDC Families With Immigrants Also Contain Citizen Recipients

Discussing the immigration status of AFDC recipients is complicated because AFDC is a family-based benefit, and each family member could have a different immigration status. Most AFDC households containing at least one immigrant also contain a citizen. Of AFDC households with at
least one immigrant recipient, only about 19 percent contained no citizen (that is, all members of the household were immigrants). For example, over 64 percent were headed by an immigrant adult with at least one citizen child. In about 9 percent of the households containing immigrants, at least one adult is a citizen and at least one child is a citizen. (See fig. 3.)

**Figure 3: Composition of AFDC Households Containing at Least One Immigrant**

- **18.87%** Contain Citizen Children
- **64.28%** Contain No Citizen
- **8.63%** Contain Citizen Parent and Citizen Children
- **1.29%** Contain Citizen Parent
- **6.93%** Others*

*Others may include pregnant women receiving AFDC benefits. Some states provide benefits to pregnant females in their third trimester if they have no other children.

Source: Department of Health and Human Services, 1993.

Most immigrants receiving AFDC were either lawful permanent residents or refugees or asylees. Data on all immigrant recipients showed that 65.3 percent—over 471,000—were lawful permanent residents and almost
32.5 percent—over 234,000—were refugees or asylees. The remaining immigrant recipients fall into other PRUCOL categories. (See fig. 4.)

**Figure 4: Status of Immigrants Receiving AFDC**

- **61.0%** Lawful Permanent Resident
- **32.5%** Refugees/Asylees
- **6.5%** Other PRUCOL

Source: Department of Health and Human Services, 1993.

**Limited Data Hinder Analysis of Immigrants and Their Sponsors**

No one source provides all the data needed to fully describe the characteristics of immigrants receiving benefits or of their sponsors. Administrative data from the SSI and AFDC programs may not have a recipient’s current immigration status if an immigrant’s status changed and the immigrant did not notify the agency. For example, lawful permanent residents can become citizens after 5 years of residing in the United States and meeting other INS criteria, and refugees and asylees can become lawful permanent residents after a 1-year residency in the United States. Further, AFDC administrative data do not contain information on how long an immigrant recipient has resided in the United States.
Additionally, computerized data on sponsors, their incomes, the amount of financial support they provide, and the number of immigrants they are sponsoring are not available from administrative sources or the INS. SSI’s new automated application system collects information on sponsors but it cannot currently aggregate the data for national analyses. The AFDC program does not have any computerized data on sponsors of immigrant recipients. INS collects this information when an immigrant first enters the country but the data are not computerized. Given these data limitations, we were unable to assess the extent to which immigrants are relying on sponsors for financial assistance or determine sponsors’ ability to support sponsored immigrants.

The estimated number of immigrants affected by welfare reform proposals varies. H.R. 4, which eliminates eligibility for certain categories of immigrants, would eliminate benefits to the largest number of immigrant recipients. The impact of the administration’s proposal, which would increase the sponsor’s responsibility for supporting immigrants, is difficult to determine. Last year, CBO estimated cost savings for these two proposals. If these proposals were enacted, immigrants might change their behavior by, for example, applying for state-funded public assistance, naturalizing more quickly, or changing their immigration patterns.

Under H.R. 4, only two groups of immigrants would remain eligible for benefits—refugees residing in the country fewer than 6 years and lawful permanent residents 75 years old or older who have resided in the United States for at least 5 years. An estimated 522,000 immigrants receiving SSI and an estimated 492,000 immigrants receiving AFDC—mostly lawful permanent residents—are in categories that lose eligibility under this proposal. In addition, some of the approximately 230,000 refugee recipients may no longer be eligible if they had resided in the United States for 6 years or longer.

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10CBO estimated the cost savings for the Responsibility Empowerment Support Program Providing Employment, Child Care, and Training Act (H.R. 3500), which was reintroduced during the 104th Congress as H.R. 4.

11These estimates make no adjustment for limitations of administrative data that may overstate the number of legal immigrants receiving benefits. As noted above, administrative data may not have a recipient’s current immigration status if an immigrant’s status changed and the agency was not notified. INS data that track immigrants over time suggest that at least 20 percent eventually become citizens.
CBO estimated that federal savings from this proposal for the SSI and AFDC programs would be $9.2 billion and $1 billion, respectively, over the period 1996-99. Adjusting administrative data to account for naturalizations, CBO estimated that 390,000 immigrants receiving SSI and 400,000 immigrants receiving AFDC would lose eligibility under this proposal. Greater federal savings are expected from the SSI program because SSI (1) provides a higher average monthly benefit per person—$407 for SSI immigrants, compared with $133 for AFDC; and (2) SSI benefits are solely a federal expenditure, while AFDC costs are shared between the federal government and the states. CBO estimated federal savings of $21.7 billion from all the public assistance programs affected by this proposal including the SSI, AFDC, Food Stamp, and Medicaid programs.  

Sponsorship Proposal Difficult to Assess

Determining the impact of extending the amount of time a sponsor’s income is deemed available for the immigrant is difficult because of a lack of computerized data on sponsors, their income, and the number of immigrants they are sponsoring. Recognizing these limitations, CBO estimated that the administration’s proposal would save nearly $2.9 billion in SSI, Medicaid, and AFDC benefits over the next 4 years. CBO estimated that more than 80 percent of these savings would come from the SSI program. An additional $400 million over 4 years would be saved by tightening SSI, Medicaid, and AFDC eligibility standards for immigrants to conform with stricter Food Stamp program criteria.

Restrictions May Influence Immigrants’ Behavior

While determining exactly how immigrant recipients will be affected by the various welfare reform proposals is difficult, these changes may have some effect on immigrants’ behavior. No studies have quantified these effects; however, experts have suggested a number of possible outcomes. For example, some immigrants who lose eligibility may find themselves financially worse off. Other immigrants may find ways to increase their income by increasing their work effort or relying more heavily on their sponsors (if they have one) for financial support. Also, immigrants may supplement their incomes by applying for state-funded public assistance or seek changes in their naturalization status that would result in the reinstatement of their benefits.

1The Food Stamp Program was designed to increase the food purchasing power of eligible low-income households to a point where they could buy a nutritionally adequate low-cost diet. Medicaid is a federal-state matching entitlement program providing medical assistance for low-income persons who are aged, blind, disabled, members of families with dependent children, and certain other pregnant women and children. In general, AFDC and SSI recipients are eligible for food stamps and Medicaid.
Immigrants who lose eligibility for federal welfare programs may turn to state-funded public assistance programs, thus shifting costs to the states. State general assistance programs would be unable to restrict benefits to legal immigrants losing federal eligibility. According to the 1971 Supreme Court ruling in Graham v. Richardson, states cannot categorically restrict legal immigrants from receiving state benefits. As of 1992, state- or county-funded public assistance programs were operating in 42 states. California and New York, two states with high concentrations of immigrants on public assistance and which operate state general assistance programs, could be greatly affected. As a result, the possible savings that states would accrue from their reduced share of AFDC benefits to immigrants could be offset by increased costs for state-funded general assistance.

Immigrants may also change their naturalization and immigration patterns. Eliminating or restricting benefit eligibility may prompt more immigrants to become citizens to retain their eligibility, according to an Urban Institute study. CBO’s $21.7 billion cost-savings estimate takes into account higher naturalization rates. However, the impact of the proposal on naturalization rates is difficult to predict. Even higher naturalization rates could lower actual program savings. Restricting legal immigrants’ eligibility for benefits may also have longer-term effects on the number and composition of immigrants entering this country. Eliminating benefits for most legal immigrants could prompt some prospective immigrants to reconsider their decision to seek residence in this country. In addition, potential sponsors of immigrants may reconsider whether they would assist others in entering this country if doing so may result in additional financial responsibility on the part of the sponsor, according to an INS official.

As agreed with your office, we did not obtain written agency comments but we did discuss the report with program officials at HHS, SSA, and INS. We also discussed the contents of the report with the Congressional

13Graham v. Richardson, 403 U.S.C. 365 (1971), prohibits states from denying benefits to persons based on their status as a legal alien.

14Some immigrants who meet eligibility requirements may not be eligible for naturalization because of requirements that the immigrant be able to read, write, and speak words in ordinary usage in the English language. Exceptions are limited to immigrants who are physically disabled from complying due to a permanent disability and to older immigrants who have lived in the United States at least 15 years after being admitted as a permanent resident. (8 C.F.R. § 312.1.)

Research Service, CBO, and other relevant research organizations. The officials generally agreed with the contents of this report but made some technical comments that we incorporated as appropriate. We are sending copies of this report to appropriate congressional committees, the Secretary of Health and Human Services, the Commissioner of the Social Security Administration, the Commissioner of INS, and other interested parties.

If your or your staff have any questions concerning this report, please call me on (202) 512-7215. Other GAO contacts and staff acknowledgments are listed in appendix I.

Sincerely yours,

Jane L. Ross
Director, Income Security Issues
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Abbreviations

AFDC  Aid to Families With Dependent Children
CBO  Congressional Budget Office
CPS  Current Population Survey
CRS  Congressional Research Service
HHS  Department of Health and Human Services
INS  Immigration and Naturalization Service
PRUCOL  permanently residing under color of law
SSA  Social Security Administration
SSI  Supplemental Security Income
Appendix I

GAO Contacts and Acknowledgments

Contacts

Cynthia M. Fagnoni, Assistant Director, (202) 512-7202
Karen A. Brown, Evaluator-in-Charge, (202) 512-7240

Acknowledgments

In addition to those named above, the following individuals made important contributions to this report: John Vocino, Senior Evaluator; Alicia Puente Cackley, Senior Economist; C. Robert DeRoy, Assistant Director (Computer Science); Paula A. Bonin, Senior Computer Specialist; Vanessa R. Taylor, Senior Evaluator (Computer Science); Steven R. Machlin, Senior Statistician.
**Glossary**

<table>
<thead>
<tr>
<th>Term</th>
<th>Definition</th>
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<tbody>
<tr>
<td><strong>Affidavit of Support</strong></td>
<td>Signed by a sponsor for an immigrant as an assurance that the immigrant will not become a public charge. Aliens found likely to become a public charge may not be admitted into the United States under the Immigration and Nationality Act.</td>
</tr>
<tr>
<td><strong>Aid to Families With Dependent Children</strong></td>
<td>The AFDC program provides cash welfare payments for (1) needy children who have been deprived of parental support or care because their father or mother is absent from the home continuously, incapacitated, deceased, or unemployed; and (2) certain others in the household of a child recipient. Benefits may also be provided to needy women in the third trimester of their pregnancy. States define need, set their own benefit levels, establish income and resource limits, and supervise or administer the program. Federal funds pay from 50 to about 80 percent of the AFDC benefit costs in a state and 50 percent of administration costs.</td>
</tr>
<tr>
<td><strong>Asylee</strong></td>
<td>INS defines an asylee as an alien in the United States or at a port of entry, who is unable or unwilling to return to his or her country of nationality because of persecution or a well-founded fear of persecution. Persecution or the fear thereof may be based on the alien's race, religion, nationality, membership in a particular social group, or political opinion. Asylees apply for status after entering the United States, and are eligible to adjust to lawful permanent resident status after 1 year of continuous presence in the United States.</td>
</tr>
<tr>
<td><strong>Deeming</strong></td>
<td>If a sponsored immigrant applies for public assistance, the income and resources of the sponsor will be considered or deemed to also be available to the sponsored immigrant, regardless of whether they are in fact available to the immigrant.</td>
</tr>
<tr>
<td><strong>General Assistance</strong></td>
<td>State and locally funded programs designed to provide basic benefits to low-income people who are not eligible for federally funded cash assistance. States, counties, or other local governmental units determine general assistance benefit levels, eligibility criteria, and length of eligibility.</td>
</tr>
<tr>
<td><strong>Lawful Permanent Resident</strong></td>
<td>INS defines lawful permanent residents as persons lawfully accorded the privilege of residing permanently in the United States. They may be issued</td>
</tr>
</tbody>
</table>
### Glossary

<table>
<thead>
<tr>
<th>Term</th>
<th>Definition</th>
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<tbody>
<tr>
<td><strong>Naturalization</strong></td>
<td>INS defines naturalization as the conferring, by any means, of citizenship upon a person after birth. Immigrants must meet certain requirements to be eligible to become naturalized citizens. Generally, they must be at least 18 years old, have been lawfully admitted for permanent residence, and have resided in the United States continuously for at least 5 years. They must also be able to speak, read, and write the English language; demonstrate a knowledge of U.S. government and history; and have good moral character.</td>
</tr>
<tr>
<td><strong>PRUCOL</strong></td>
<td>This term refers to immigrants who are considered “permanently residing under color of law.” PRUCOL is not an immigration status provided by INS; rather, it is a term used to indicate many alien statuses and is used for the purpose of determining eligibility for AFDC, SSI, and Medicaid.</td>
</tr>
<tr>
<td><strong>Refugee</strong></td>
<td>INS defines a refugee as any person who is outside his or her country of nationality and unable or unwilling to return to that country because of persecution or a well-founded fear of persecution. Persecution or the fear thereof may be based on the alien’s race, religion, nationality, membership in a particular social group, or political opinion. Refugees apply for status outside the United States; they are eligible to adjust to lawful permanent resident status after 1 year of continuous presence in the United States.</td>
</tr>
<tr>
<td><strong>Supplemental Security Income</strong></td>
<td>The SSI program is a means-tested, federally administered income assistance program authorized by title XVI of the Social Security Act. Begun in 1974, SSI provides monthly cash payments in accordance with uniform, nationwide eligibility requirements to needy aged, blind, and disabled persons. The aged are defined as persons 65 years old and older. The blind are individuals with 20/200 vision or less with the use of a correcting lens in the person’s better eye or those with tunnel vision of 20 degrees or less. Disabled individuals are those unable to engage in any substantial gainful activity by reason of a medically determined physical or mental impairment expected to result in death or that has lasted or can be</td>
</tr>
</tbody>
</table>
expected to last for a continuous period of at least 12 months. Some states supplement federal SSI payments with state funds.

| Sponsor          | A sponsor is a person who has signed an affidavit of support on behalf of an alien seeking permanent residence in the United States. |
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