

GAO

Report to the Ranking Minority Member,
Subcommittee on Children and Families,
Committee on Labor and Human
Resources, U.S. Senate

July 1998

WELFARE REFORM

Many States Continue Some Federal or State Benefits for Immigrants



**Health, Education, and
Human Services Division**

B-278096

July 31, 1998

The Honorable Christopher J. Dodd
Ranking Minority Member
Subcommittee on Children and Families
Committee on Labor and Human Resources
United States Senate

Dear Senator Dodd:

Title IV of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (P.L. 104-193) restricts legal immigrants' access to public welfare benefits.¹ This represents a significant change in policy toward many immigrants who had generally been eligible for public benefits on the same basis as citizens. The act is designed to ensure that available public benefits do not provide an incentive for immigration and that immigrants entering this country be self-reliant. Title IV, as amended,² made immigrants ineligible for certain federal welfare benefits and gave states options to provide or restrict immigrants' access to other federal, state, and local benefits. In addition, the law specifies different eligibility for immigrants depending upon whether they entered the country before enactment of the legislation on August 22, 1996. Immigrants to this country before the act are referred to as "pre-reform immigrants" in this report; those entering after the act are referred to as "new immigrants."

The act, which we call the welfare reform law, restricts immigrants' eligibility for key federal programs, including Temporary Assistance for Needy Families (TANF), Medicaid, Supplemental Security Income (SSI), and the Food Stamp program. Generally, the law allows no new immigrants to receive TANF and Medicaid benefits³ during their first 5 years in the United States. In addition, the law allows the states the option of denying TANF and Medicaid eligibility to most pre-reform immigrants as well as to new immigrants after 5 years of U.S. residency. Although the law originally

¹The law affects the rights of immigrants who are lawfully admitted for permanent residence as well as other noncitizens legally in the United States. These other noncitizens, such as refugees and asylees, together with those lawfully admitted for permanent residence, are defined in the law as "qualified aliens." In this report, we generally discuss the rights and responsibilities of those lawfully admitted for permanent residence and refer to them as immigrants; however, when relevant, we mention how the law has affected other noncitizens.

²Two laws contained significant amendments to title IV and other related statutes: the Illegal Immigration Reform and Immigrant Responsibility Act of 1996 (P.L. 104-208, Division C) and Balanced Budget Act of 1997 (P.L. 105-33). The effects of these amendments are discussed in our report.

³See also Medicaid: Early Implications of Welfare Reform for Beneficiaries and States (GAO/HEHS-98-62, Feb. 24, 1998).

barred immigrants from receiving SSI benefits, the Balanced Budget Act of 1997 reinstated these benefits for pre-reform immigrants already on the rolls and for those who are now or become blind or disabled. New immigrants, however, with some exceptions cannot receive SSI benefits.

In addition, a recent legislative change has restored eligibility for some immigrants who lost eligibility for federal food stamps. The Agricultural Research, Extension, and Education Reform Act of 1998 (P.L. 105-185)—signed into law on June 23, 1998—restores food stamp eligibility effective November 1, 1998, to pre-reform immigrants who are receiving benefits or assistance for blindness or disability, younger than 18, or aged 65 and older as of August 22, 1996, and others. The welfare reform law, however, still bars most pre-reform and new immigrants from receiving federally funded food stamp benefits. In addition to the program restrictions, the law requires some sponsors of new immigrants to sign legally binding contracts—affidavits of support—agreeing to financially help the new immigrants.

Concerned with the restrictions imposed by the welfare reform law and their impact on immigrant children and families, you asked us to address the following:

- the options states chose regarding TANF and Medicaid benefits for immigrants and state-funded assistance available to new immigrants during the 5-year bar;
- for restricted federal programs, SSI, and food stamps, the number of immigrants, including children, whose federal benefits have been terminated, and the state-funded assistance available to them; and
- the major implementation issues and challenges state agencies face in administering the provisions changing welfare assistance to immigrants.

Although immigration policy affects the states in many ways, our review focused specifically on states' responses to the welfare reform changes for immigrants. Generally, this report describes states' responses before the legislative changes of June 1998 that restored eligibility for federal food stamps to some immigrants as of November 1, 1998. To obtain information on the benefits that the 50 states and the District of Columbia provide to pre-reform and new immigrants, we reviewed national studies and summaries of state legislative changes that focused on immigrants and

welfare reform restrictions.⁴ We conducted fieldwork in 3 of the 10⁵ states where most immigrants reside—California, Washington, and New Jersey—and one locality within each of those states—San Francisco, Seattle, and Essex County—to collect more detailed information on states' responses. In addition, to determine implementation issues concerning the welfare reform changes to benefits for immigrants, we spoke with federal officials of each program, state and local officials during our site visits, and immigrant advocacy groups. Our work was conducted between June 1997 and May 1998 in accordance with generally accepted government auditing standards.

Results in Brief

Although the states could have dropped immigrants from their welfare rolls, most states have chosen to provide some welfare benefit to part of this population. Nearly all states have chosen to continue providing federal TANF and Medicaid benefits to pre-reform immigrants and to provide these benefits to new immigrants after 5 years of U.S. residency. About a third of the states use state funds to provide similar benefits to some new immigrants during the 5-year bar. Among these states are 6 of the 10 where most immigrants live—2 states provide state-funded medical assistance and 4 states provide both state-funded cash and medical assistance.

With the states' continuation of TANF and Medicaid benefits to pre-reform immigrants and the retention of these immigrants' SSI benefits, the greatest economic impact of welfare reform for most of these immigrants is the loss of federally funded food stamp benefits. After the implementation of the food stamp restrictions, an estimated 940,000 immigrants receiving food stamps in 1997 lost eligibility for receiving them. Almost one-fifth of this group consisted of immigrant children. At the time of our review, 14 states had created state-funded food stamp programs serving about a quarter of this immigrant group nationwide—primarily children, the disabled, and the elderly. Fewer states, however, offer state-funded food stamps to new immigrants. The most recent legislation will restore food stamp eligibility to an estimated 250,000 immigrants, mostly children, the disabled, and the elderly, the same groups targeted by state-funded food stamp programs. States' responses to the restoring of these benefits, such as changing eligibility for state-funded programs, are unknown at this time.

⁴For the purposes of this report, we count the District of Columbia as a state.

⁵According to the Immigration and Naturalization Service (INS), as of Apr. 1996, over 80 percent of the nation's immigrants lived in 10 states. These states, listed in order from highest to lowest in immigrant population, are California, New York, Texas, Florida, New Jersey, Illinois, Massachusetts, Virginia, Maryland, and Washington.

With the implementation of the welfare reform restrictions for immigrants, states and local governments face added responsibilities. States' future challenges include verifying the citizenship or immigration status of applicants for all federal public benefits and enforcing affidavits of support for new immigrants sponsored by relatives. The states we visited anticipated major systems changes and other additional work to implement the new verification procedures. Furthermore, states choosing to provide assistance to immigrants no longer eligible for federal benefits are uncertain about future funding for these programs. These states also face additional challenges managing funding streams and determining eligibility for federal and state programs.

Background

From the passage of the Social Security Act in 1935 until the welfare reform law of 1996, the immigration status of those lawfully admitted for permanent U.S. residence did not preclude these individuals from eligibility for welfare benefits. Welfare reform changed this by substantially restricting pre-reform and new immigrants' access to federal means-tested benefits. Table 1 details the program eligibility changes for immigrants under the major federal welfare programs. As a result of these changes, pre-reform immigrants remain eligible for some benefits. New immigrants are ineligible for federal benefits during their first 5 years of U.S. residency, until they become naturalized citizens,⁶ or unless they have an immigration status excepted from the restrictions.

⁶Generally, to become naturalized citizens, immigrants must meet residency requirements, which include at least 5 years of U.S. residency after receiving permanent residence status and being of good moral character. During the naturalization process, immigrants must also demonstrate knowledge of the English language and U.S. history and government.

Table 1: Overview of Federal Welfare Program Eligibility for Immigrants

Federal program	Immigrants ^a	
	Pre-reform (entered United States before Aug. 22, 1996)	New (entered United States on or after Aug. 22, 1996)
TANF: Assistance for needy families with dependent children who meet state eligibility criteria	State's option to continue benefits. ^b	No benefits available for first 5 years, then at state's option.
Medicaid: ^c Medical assistance to needy individuals who meet federal and state eligibility criteria	Benefits continued for those receiving SSI and state's option to continue benefits for others. ^b	No benefits available for first 5 years, then at state's option.
SSI: Cash assistance to needy blind, disabled, or aged individuals who meet federal eligibility criteria	Benefits continued for those receiving SSI ^b and those who are or become blind or disabled can apply in the future.	No benefits available until citizenship.
Food stamps: Food assistance to needy individuals who meet federal eligibility criteria	No benefits available until citizenship.	No benefits available until citizenship.

Note: This reflects the welfare reform provisions as of May 1998. In June 1998, P.L. 105-185 was enacted to restore food stamp eligibility to certain pre-reform immigrants.

^aExceptions allow for benefits to be provided to aliens entering the United States as refugees or asylees, Amerasian immigrants, Cuban or Haitian entrants, and those whose deportation is withheld. These individuals are eligible to apply for TANF and Food Stamp benefits during the first 5 years and for Medicaid and SSI during their first 7 years of U.S. residency. In addition, benefits may be provided to immigrants who are honorably discharged veterans, active-duty personnel, or their spouses and dependent children, and pre-reform or new immigrants (after 5 years of U.S. residency) who can be credited with 40 work quarters through their own or their parents' or spouse's work.

^bCertain noncitizens who remain in the country legally but do not meet the definition of "qualified alien," such as those Permanently Residing Under the Color of Law (PRUCOL), may no longer meet the eligibility criteria for TANF, Medicaid, and SSI. PRUCOL status denotes those aliens who have legally resided in the country for an indefinite period of time but are not lawfully admitted for permanent residence. Such status was used in determining an alien's eligibility for certain welfare benefits.

^cImmigrants who are no longer eligible for Medicaid retain eligibility for Medicaid's emergency services.

The welfare reform law allows states to decide whether pre-reform immigrants retain eligibility for federal TANF and Medicaid and whether new immigrants can apply for these programs after a mandatory 5-year bar. As originally passed, the welfare reform law generally eliminated immigrants' eligibility for SSI and food stamps. The Balanced Budget Act of 1997 reinstated SSI eligibility for pre-reform immigrants already receiving benefits and allowed pre-reform immigrants who are or become blind or disabled to apply for benefits in the future. New immigrants, however, generally cannot receive SSI and food stamp benefits unless they meet certain exceptions or become citizens. These exceptions appear in table 1, which shows that the exception of allowing benefits to those who can be

credited with 40 work quarters only applies to new immigrants with 5 years of U.S. residency. The welfare reform law also specifies federal programs from which an immigrant cannot be barred.⁷

The recent legislative change has restored food stamp eligibility, effective November 1, 1998, to pre-reform immigrants receiving benefits or assistance for blindness or disability, younger than 18, or aged 65 and older as of August 22, 1996. The law also restores eligibility to certain Hmong or Highland Laotian tribe entrants lawfully residing in the United States, regardless of their date of entry, and extends the eligibility period for refugees and asylees from 5 to 7 years after entering the country.

In addition to restricting immigrants' eligibility for welfare benefits, the 1996 welfare reform law revised requirements for those sponsoring immigrants' entry into the United States. Under welfare reform, an immigrant sponsored by a relative⁸ must have the sponsor sign an affidavit of support promising to provide financial assistance if needed.⁹ In addition, to better ensure that sponsors will be financially able to help the immigrants they have sponsored, the new law requires that sponsors have incomes equal to at least 125 percent¹⁰ of the federal poverty level for the number of people that they will support, including themselves, their dependents, and the sponsored immigrant and accompanying family members.¹¹ Moreover, to address concerns about the enforceability of affidavits of support executed before welfare reform, the new law specifies that each affidavit must be executed as a legally binding contract enforceable against the sponsor by the immigrant, the U.S. government, or any state or locality that provides any means-tested public benefit. The affidavit is enforceable until the sponsored immigrant naturalizes, is credited with 40 work quarters, permanently leaves the country, or dies.

⁷All immigrants remain eligible for certain federal benefit programs, including emergency Medicaid services; short-term emergency disaster relief; immunizations against and testing and treatment for communicable diseases; programs determined by the Attorney General to be necessary for protecting life or safety (such as soup kitchens, child protection services, and short-term shelters); and school lunch and child nutrition programs.

⁸Employment-based immigrants coming to work for relatives or for companies where relatives have significant financial interest must also have affidavits of support.

⁹Before welfare reform, affidavits of support were not always required to demonstrate self-sufficiency, and, even when executed, some courts held that the affidavits were not enforceable.

¹⁰Sponsors on active duty in the military need an income of at least 100 percent of the poverty level if they are sponsoring their spouse or child.

¹¹For 1998, the income requirement of a sponsor equals an annual income of at least \$16,450 for a family of four.

In addition to requiring legally enforceable affidavits, the law extends a sponsor's responsibility to support immigrants by lengthening the time a sponsor's income is attributable to a new immigrant if the immigrant applies for welfare benefits. Some federal programs previously mandated this attribution, called deeming; however, the sponsor's income was generally included for only the first 3 or 5 years of an immigrant's residency. The law now requires states to deem a sponsor's income in federal means-tested programs until the immigrant becomes a citizen or can be credited with 40 work quarters. The welfare reform law also gives states the option of adding deeming requirements to state and local means-tested programs.

The new support and deeming requirements are intended to ensure that immigrants rely on their sponsors rather than public benefits for aid, that the sponsors have the financial capacity to provide aid, and that sponsors are held accountable for helping immigrants they have agreed to support. This way, unless a sponsor suffers a financial setback, an immigrant should be less likely to need or receive public benefits.¹²

In addition, the welfare reform law requires states to implement new procedures to verify an alien's status when determining eligibility for federal public benefits. The states have 2 years after the Immigration and Naturalization Service (INS) issues final regulations to ensure that their verification procedures comply with the regulations. The procedures include verifying individuals' status as citizens or aliens, which information the states use in determining individuals' eligibility for federal public welfare benefits, including grants, contracts, or loans provided by a federal agency or appropriated U.S. funds. INS responds to inquiries by federal, state, and local government agencies seeking to verify or determine citizenship or immigration status.¹³

¹²Regardless of whether a sponsor suffers a financial setback, dies, or moves, new immigrants are generally ineligible for federal means-tested benefits during their first 5 years of U.S. residency.

¹³INS' current Systematic Alien Verification for Entitlement (SAVE) Program can electronically verify the status of those lawfully admitted for permanent residence as well as aliens in other categories. Copies of documents can be sent to INS for further verification for certain groups of aliens or when status cannot be verified through the automated system. Agencies that do not participate in the SAVE system can also send copies of documents to INS for manual verification.

States' Approaches to Providing TANF and Medicaid to Immigrants

Almost all states decided to continue providing TANF and Medicaid benefits for pre-reform immigrants and to provide these benefits to new immigrants after 5 years of U.S. residency. Fewer states offer assistance comparable with TANF and Medicaid to new immigrants during the mandatory 5-year federal bar.¹⁴ Some of these state programs, however, limit benefits to certain categories of immigrants or impose certain requirements such as living in the state for 12 months before applying for benefits.

Most States Provide Optional Federal Benefits to Pre-Reform and New Immigrants

States have the option of continuing TANF and Medicaid benefits to pre-reform immigrants and providing these benefits to new immigrants after 5 years of U.S. residency. Almost all states and the District of Columbia are continuing TANF for both groups.¹⁵ Forty-nine states and the District of Columbia are continuing federal Medicaid benefits for these immigrants. Wyoming is the only state to discontinue Medicaid for all immigrants. Immigrants no longer eligible for the full scope of Medicaid benefits, however, continue to be eligible for emergency services under Medicaid.

Limited Number of States Provide Benefits to New Immigrants During 5-Year Bar

About a third of the states provide state-funded temporary assistance to needy families, medical assistance, or both to new immigrants during their 5-year bar from federal programs.¹⁶ Six of the 10 states where most immigrants reside provide assistance to those no longer eligible for TANF and Medicaid. California, Maryland, Massachusetts, and Washington provide both state-funded cash and medical assistance, while New Jersey

¹⁴According to information compiled by the National Immigration Law Center, the following 16 states or localities within these states provide state-funded cash assistance: California, Colorado, Connecticut, Georgia, Hawaii, Kansas, Maine, Maryland, Massachusetts, Michigan, Minnesota, Nebraska, Oregon, Utah, Vermont, and Washington. The following 18 states or localities within these states provide state-funded medical assistance: California, Connecticut, Kansas, Maine, Maryland, Massachusetts, Michigan, Minnesota, Nebraska, New Jersey, New Mexico, New York, Pennsylvania, Rhode Island, Vermont, Virginia, Washington, and Wisconsin. In addition, according to a TANF-Medicaid Eligibility Information Survey conducted by the American Public Welfare Association in Jan. 1997, six other states provide state-funded prenatal care to immigrants: Alaska, Arizona, Illinois, Oklahoma, Tennessee, and Texas.

¹⁵Mississippi and South Carolina are uncertain if they will provide TANF benefits to new immigrants following the 5-year bar. In addition, Alabama initially chose not to provide TANF benefits to pre-reform immigrants and to new immigrants following the 5-year bar; however, it will provide these benefits to pre-reform immigrants starting sometime in 1998.

¹⁶These state-funded programs may also allow eligibility to pre-reform noncitizens no longer eligible for TANF and Medicaid.

and Virginia provide medical assistance.¹⁷ Some of these state programs impose deeming requirements similar to the federal program rules and state residency requirements. In addition, some states restrict medical assistance to immigrant children, pregnant women, or to those in residential care before a specific date. Maryland, for example, provides medical assistance to pregnant women and children, and Virginia provides benefits to children.

In the states we visited, we observed a range of these types of benefits available to immigrants. California, where more than 35 percent of the nation's immigrants live, provides both state-funded cash and medical assistance to new immigrants during their 5-year bar from federal benefits. New Jersey provides state-funded medical assistance to new immigrants, although it has proposed changes to state legislation to limit the scope of medical assistance benefits to emergency services only. In Washington, new immigrants may obtain state-funded cash or medical assistance after meeting a 12-month residency requirement and the state-imposed federal deeming requirements. Officials of Washington state noted that it included the residency requirement to address concerns about the state attracting immigrants from other states and becoming a welfare magnet state for immigrants.¹⁸

Some Immigrants No Longer Eligible for SSI Benefits May Receive Some Assistance

Before welfare reform, SSI provided a monthly cash benefit to needy individuals who were aged, blind, or disabled whether they were immigrants or citizens. Although welfare reform ultimately retained SSI eligibility for most pre-reform immigrants, it barred new immigrants from receiving SSI benefits until they become citizens or are categorized as excepted from the restrictions. Few states are replacing SSI benefits with new state-funded programs; however, many states have cash assistance programs available to those no longer eligible for SSI.

¹⁷Florida and New York provide state-funded medical assistance to elderly and disabled immigrants who lived in their states before June 30, 1997, and Aug. 4, 1997, respectively. New York's eligibility requirements also specify that recipients be in state-licensed nursing homes or residential care facilities.

¹⁸Some research suggests that the more generous welfare benefits provided in some states may encourage low-income families to move to those states. See Rebecca Blank, "The Effect of Welfare and Wage Levels on the Location Decisions of Female-Headed Households," *Journal of Urban Economics*, Vol. 24 (1988), pp. 186-211, and Paul Peterson and Mark Rom, *Welfare Magnets: A New Case for a National Standard*, Brookings Institution (Washington, D.C.: Sept. 1990). Other research, focused specifically on immigrants, which uses 1982 and 1992 data, found that immigrants chose locations to move to mainly by the presence of earlier immigrants in the area rather than by the welfare benefits available. See Madeline Zavodny, "Welfare and the Locational Choices of New Immigrants," *Economic Review*, Second Quarter (1997), pp. 1-10.

Most Pre-Reform Immigrants Retain SSI Benefits

The Social Security Administration (SSA) prepared to terminate benefits for almost 580,000 immigrants before the welfare reform law was amended to continue SSI benefits for pre-reform immigrants already on the rolls and to provide benefits in the future for those pre-reform immigrants who are or become blind or disabled.¹⁹ Pre-reform immigrants not already receiving SSI will no longer qualify for benefits solely on the basis of advanced age. Approximately 20,000 pre-reform noncitizens, however, do not meet the law's definition of "qualified alien"²⁰ and will therefore lose their SSI benefits in 1998 unless they adjust their immigration status to an eligible class. According to SSA, the noncitizens scheduled to lose their benefits were categorized as Permanently Residing Under the Color of Law (PRUCOL).²¹

Assistance for Immigrants No Longer Eligible for SSI

Although few states are providing state-funded benefits to specifically replace SSI benefits, most states have general assistance programs through which some immigrants who have lost SSI and those who are no longer eligible may obtain aid. General assistance is one of the largest structured state or local programs providing assistance to the needy on an ongoing basis.²² According to a 1996 Urban Institute report, 41 states or localities within those states and the District of Columbia, including the 10 states where most immigrants reside, provided such programs.^{23, 24} Under welfare reform, however, states have the option of limiting the eligibility of immigrants for state-funded public benefits, including general assistance.

¹⁹The Congressional Budget Office estimates that the number of pre-reform immigrants benefiting from the provision that allows those who are or become blind or disabled to apply for SSI will be about 65,000 in 1998, peak at 85,000 in 2000, and then decline gradually.

²⁰The law defines a "qualified alien" as a person lawfully admitted for permanent residence, refugee or asylee, Cuban or Haitian entrant, person whose deportation is being withheld, parolee admitted for at least 1 year, or person granted conditional entry. In addition, a battered spouse, child, or parent of battered children is treated as a qualified alien.

²¹PRUCOL status denotes those aliens who have legally lived in the country for an indefinite time period but are not lawfully admitted for permanent residence. Before welfare reform, such status was used in determining an alien's eligibility for certain welfare benefits.

²²General assistance, as used in this report, refers to cash or in-kind benefits to low-income people not eligible for federally funded cash assistance. These programs are financed and administered entirely through the state, county, or locality (or a combination of these) where they operate. Program names, eligibility criteria, and benefits vary by state, and in many cases program elements also vary within states.

²³The following nine states do not have state or local general assistance programs: Alabama, Arkansas, Louisiana, Mississippi, Oklahoma, South Carolina, Tennessee, West Virginia, and Wyoming.

²⁴State General Assistance Programs - 1996, Urban Institute (Washington, D.C.: Oct. 1996). Information for this report was gathered before the passage of the welfare reform law.

General assistance benefits are generally lower than federal cash assistance and vary by state in the populations served. In California, where counties fund and administer these programs, benefits range from \$212 to \$345 per month, which is considerably lower than the average monthly SSI benefit of \$532 for California's immigrants. In addition, the groups of individuals who may apply for general assistance range from all financially needy people to needy families with children and the disabled, elderly, unemployable, or a combination of these groups. In Washington, immigrants ineligible for SSI who are 18 or older and incapable of gainful employment for at least 90 days may receive assistance through the state's General Assistance-Unemployable program; however, new immigrant children with disabilities who might have been eligible for SSI under previous law are ineligible for this program. These benefits, which average \$339 per month in Washington, are less than the state's average SSI benefit of \$512 per month.

On the basis of our analysis of information compiled by the National Immigration Law Center, few states have programs to specifically replace SSI benefits for new immigrants.²⁵ Two states, Hawaii and Nebraska, offer state-funded benefits to disabled, blind, and elderly immigrants specifically to replace SSI benefits for which they are no longer entitled. Colorado offers cash assistance to elderly immigrants no longer eligible for SSI.

States' Approaches to Providing Food Assistance to Immigrants

With the continuation of TANF, Medicaid, and SSI benefits to pre-reform immigrants, the largest federal benefit loss for most immigrants is the termination of food stamps. At the time of our review, some states had created state-funded programs that were replacing benefits for about one-quarter of those estimated to no longer be eligible for federal food stamps nationwide. Fewer states offer such benefits to new immigrants. States' responses to the most recent legislative change restoring eligibility to some of the pre-reform immigrants are not yet known. This group of immigrants consists mostly of children, the disabled, and the elderly—those groups who were most often targeted in the state-funded programs. Besides funding replacement food assistance programs, many states have

²⁵The National Immigration Law Center information on benefits for immigrants was updated on Jan. 8, 1998. The information on SSI-replacement benefits had not been updated, however, to reflect changes in state programs since the enactment of the Balanced Budget Act of 1997, which retained SSI benefits for certain pre-reform immigrants.

increased funding for emergency food providers such as food banks.²⁶ The states and immigrant advocacy groups contacted for our prior study,²⁷ however, expressed concern that the limited emergency food assistance may be insufficient to meet the needs of immigrants who lost their eligibility for food stamps.

Most Pre-Reform Immigrants Lose Food Stamp Benefits

The year following welfare reform, an estimated 940,000 of the 1.4 million immigrants receiving food stamps lost their eligibility for receiving benefits, according to the U.S. Department of Agriculture (USDA). Those no longer eligible would have otherwise received about \$665 million in federal food stamps during fiscal year 1997.²⁸ Almost one-fifth of those no longer eligible were immigrant children. USDA determined that most of those who remained eligible did so because they became citizens or met the exception of having 40 or more work quarters.

The most recent legislation (P.L. 105-185) restores federal food stamp eligibility, effective November 1, 1998, to 250,000—mostly children, the disabled, and the elderly—of the estimated 820,000 immigrants no longer eligible for food stamps in fiscal year 1999, according to USDA.²⁹ About 70 percent of the 820,000 immigrants remain ineligible for food stamps.

Some States Replace Lost Food Stamp Benefits for Immigrants

At the time of our review, 14 states representing almost 90 percent of immigrants nationwide receiving food stamps in 1996 were replacing food stamp benefits with state-funded benefits to a portion of immigrants no longer eligible. State appropriations for these programs totaled almost \$187 million for 1998. Eight states are purchasing federal food stamps, four states are issuing food stamp benefits through their electronic benefit transfer (EBT) system, and two states developed their own food voucher or cash assistance programs. Most of these programs' benefit levels and

²⁶Food banks collect and distribute a variety of food products to organizations such as food pantries and soup kitchens. Food pantries may provide temporary food assistance for those in crisis. Soup kitchens provide meals on site for those in need.

²⁷See *Welfare Reform: State and Local Responses to Restricting Food Stamp Benefits* (GAO/RCED-98-41, Dec. 18, 1997).

²⁸Not all immigrant households had all their food stamp benefits terminated. Many of those affected may have lived in households with both immigrants and U.S. citizens and therefore had their benefits reduced rather than eliminated. According to USDA, about 62 percent of immigrant households receiving food stamps in 1996 also included U.S. citizens, mostly children.

²⁹The number estimated to no longer be eligible for food stamps due to their immigrant status for fiscal year 1999 is lower than for fiscal year 1997 because of a general decline in the number of food stamp recipients and an increase in the number of immigrants estimated to become naturalized citizens and therefore eligible for food stamps.

eligibility criteria, with the exception of immigrant status, reflect the federal Food Stamp program and were implemented immediately after federal benefit terminations on September 1, 1997. According to our 1997 survey, the majority of the remaining states are not replacing or are not planning to replace the terminated food stamp benefits for legal immigrants.³⁰ Table 2 provides more detailed information on these programs.

³⁰See [GAO/RCED-98-41](#), Dec. 18, 1997.

Table 2: State-Funded Food Stamp or Other Food Assistance Programs

State	Eligible immigrant population	Program starting date	Individuals served ^a	State funds appropriated, FY 1998 (millions)
States purchasing food stamps from USDA				
California	Pre-reform children and elderly	Sept. 1, 1997	56,000	\$35.6
Florida	Pre-reform elderly ^b	Sept. 30, 1997	16,100	23.0
Nebraska	Pre-reform (all)	Aug. 1, 1997	1,100	.6
New Jersey ^c	Pre-reform children, disabled, and elderly	Sept. 1, 1997	5,700	15.0
New York	Pre-reform children, disabled, and elderly	Sept. 1, 1997	73,700	47.0
Ohio ^c	Pre-reform disabled and elderly	Apr. 1, 1998	3,400	1.0
Rhode Island	Pre-reform (all)	Sept. 1, 1997	5,700	3.5
Washington	Pre-reform and new (all)	Sept. 1, 1997	14,800	28.0
States issuing state-funded food stamps through EBT^d				
Connecticut	Pre-reform and new (all)	Apr. 1, 1998	4,500	1.3
Illinois	Pre-reform children, disabled, and elderly	Jan. 1, 1998	2,700	4.7
Maryland	Pre-reform and new children	Oct. 1, 1997	1,800	2.0
Massachusetts	Pre-reform and new (all)	Oct. 1, 1997	18,000	10.6
Other food assistance programs				
Minnesota	State voucher or cash assistance programs for pre-reform (all) ^b	Sept. 1, 1997	8,100	4.7
Texas	Cash assistance for pre-reform disabled and elderly	Mar. 1, 1998	15,100	9.6
Total			226,700	\$186.6

Note: This table identifies state programs as of May 1998. In June 1998, P.L. 105-185 was enacted to restore food stamp eligibility to certain pre-reform immigrants.

^aThe states reported the figures as of various dates toward the end of 1997 or the first half of 1998 or as estimates.

^bAssistance for new immigrants limited to those residing in Florida as of Feb. 1, 1997, and those residing in Minnesota as of July 1, 1997.

^cSome counties in New Jersey and Ohio are also issuing state-funded food stamps using EBT.

^dIllinois and Maryland provide EBT through the federal system, and Connecticut and Massachusetts provide EBT through a state system.

Source: GAO analysis and USDA.

Instead of setting up an entirely new state food assistance program, Washington was the first of eight states to contract with USDA to purchase

federal food stamps with state funds.³¹ A provision in the Emergency Supplemental Appropriations Act of 1997 (P.L. 105-18) made it possible for the states to purchase federal food stamp coupons to provide nutrition assistance to individuals, including immigrants, made ineligible for federal food stamps. According to Washington state officials, allowing the states to purchase federal coupons saves the states the expense of creating their own voucher programs and makes the program more seamless to recipients and grocery store merchants. States are required to pay USDA the value of the benefits plus the costs of printing, shipping, and redeeming the coupons.

The majority of the states replacing lost federal food stamps, however, allow eligibility only to certain immigrant categories. According to state-reported participation rates, about one-quarter of immigrants who no longer qualify for federal food stamps participate in state-funded food assistance programs. Most of these state programs target immigrants generally considered most vulnerable, such as children under age 18, the disabled, and the elderly—those aged 65 and older. California, with the largest population of immigrants, chose to provide state-funded food stamps to pre-reform immigrants younger than 18 or those aged 65 and older—about 56,000 of the estimated 151,700 immigrants whose federal benefits were terminated. The state-funded food stamp programs generally target the same groups whose eligibility for federal food stamp benefits has been restored. States' responses to the restoring of these benefits, such as changing eligibility for state-funded programs, are unknown at this time.

Like most pre-reform immigrants, new immigrants are also restricted from receiving federal food stamps. Currently, 6 of the 14 states with food stamp replacement programs—Connecticut, Florida, Maryland, Massachusetts, Minnesota, and Washington—allow eligibility to some new immigrants. Two of these states, however, limit food assistance to those living there as of 1997. At the time of our review, officials in these states could not determine the specific number of immigrants receiving state-funded benefits that were new immigrants.

Some States Increase Funding for Emergency Food Assistance

Although most states have no program specifically designed to replace federal food stamps for immigrants, they do provide temporary food assistance through emergency programs and local food banks or pantries.

³¹States that chose to purchase food stamps had to submit, for USDA's approval, a state plan describing the conditions and procedures under which the food stamps could be issued. USDA also provided states with guidance to operate the program.

For example, the states match a level of federal funds for emergency food providers through The Emergency Food Assistance Program (TEFAP).³² Many states, anticipating the increased demand for food assistance by immigrants, increased funding to food banks and emergency food providers. Colorado, for example, appropriated \$2 million in 1998 for a new program to provide emergency assistance, including food, to immigrants.³³

In addition to state-funded efforts, one locality we reviewed was providing funds to local food banks. In 1997, San Francisco added \$186,000 to the local food bank budget to set up three or four new food distribution sites in highly populated immigrant communities. Immigrants no longer eligible for federal food stamp benefits received notice by mail of these new distribution centers that told them to present their letters to one of the distribution sites to receive food on a weekly basis. Local officials told us that the food supply would last recipients 3 to 5 days.

According to our 1997 study, some localities are working with local organizations to plan for the expected increase in the need for food assistance.³⁴ Organization officials fear their resources may be insufficient to meet needs of individuals no longer eligible for food stamps. These officials do not believe their organizations can replace the long-term assistance that federal food stamps provided. Furthermore, in a study conducted by the U.S. Conference of Mayors, most surveyed cities reported that immigrants' requests for emergency food assistance increased by an average of 11 percent in the first half of 1997.³⁵

Although concerns exist about the impact of benefit restrictions for immigrants, such as the discontinuance of food stamps, no major monitoring efforts are required or planned in the states we visited or at the

³²Established in 1981, TEFAP authorizes federal funding for states to provide food and surplus dairy commodities to low-income households. States administer the program and select the distribution sites, such as county offices or food banks, from which to distribute the food. In fiscal year 1995, federal appropriations for the program were \$65 million.

³³The sources of this information are the Immigrant Policy Project at the National Conference of State Legislatures; State Government Responses to the Food Assistance Gap, Food Research and Action Center and Second Harvest (Washington, D.C.: 1997); and [GAO/RCED-98-41](#), Dec. 18, 1997.

³⁴See [GAO/RCED-98-41](#), Dec. 18, 1997. The five localities reviewed include Los Angeles County, California; Denver, Colorado; Hartford, Connecticut; Detroit, Michigan; and Houston, Texas.

³⁵The U.S. Conference of Mayors Task Force on Welfare Reform Implementation, Dec. 16, 1997.

federal level.³⁶ Moreover, a recent study for the U.S. Commission on Immigration Reform identified that the states with large immigrant populations had no comprehensive plans for monitoring the impact of welfare reform eligibility changes on immigrants.³⁷ In addition, many immigrant advocacy groups we interviewed expressed concern about states' and localities' ability to meet immigrants' income, food, and medical needs. Some advocacy groups noted they were conducting studies to measure the impact of federal restrictions on those affected.

Some States Offer Immigrants Naturalization Assistance

In addition to the federal and state programs already discussed, at least 12 states help immigrants through statewide naturalization assistance programs, according to information from the National Immigration Law Center.³⁸ Helping immigrants gain citizenship offers them the ability to keep or obtain eligibility for federal benefits and reduces state spending on immigrants' benefits. Even with state-provided assistance, the naturalization process takes time and, according to INS, the number of applications continues to increase.

Naturalization assistance ranges from providing referrals to community services to classes in preparation for naturalization and financial assistance with the \$95 application fee.³⁹ Anticipating the restrictions for immigrants under welfare reform, New Jersey allocated \$4 million for 1997 and 1998, which was matched by private funds, for its naturalization outreach program. New Jersey's program includes English and civics classes, legal assistance with applications, and help with medical waivers for exemption from citizenship or language testing. Washington, which also began naturalization efforts before welfare reform, boosted funding for its program to \$1.5 million per year for state fiscal years 1998 and 1999. Program services include helping immigrants with completing naturalization applications, paying application fees, and providing educational services. Since fiscal year 1998, the state reports an average of 1,200 individuals participating in the program each month. In addition, two

³⁶The Department of Health and Human Services (HHS), in conjunction with USDA and INS, has commissioned a study on the economic and health status of immigrants, their communities, and the organizations that serve them in two cities, Los Angeles and New York, with a large immigrant population. This study will also describe how these groups have adapted to the welfare reform changes.

³⁷Impact of the Federal Welfare Reform on Immigrants, study by the Lewin Group, Inc., for the U.S. Commission on Immigration Reform (Washington, D.C.: 1997).

³⁸The following 12 states have statewide naturalization programs: Arizona, Florida, Hawaii, Illinois, Maryland, Massachusetts, Minnesota, Nebraska, New Jersey, New York, Rhode Island, and Washington, according to information gathered by the National Immigration Law Center.

³⁹The naturalization application fee is scheduled to increase to \$225 as of Oct. 1, 1998.

of the localities we visited—Seattle and San Francisco—also established naturalization programs to assist immigrants, especially those affected by the loss of federal benefits.

Though states and localities have naturalization programs, officials administering these programs expressed concern about the length of time it takes to process citizenship applications. In the three cities we visited, immigrants applying for naturalization had to wait up to 3 years before completing the process.⁴⁰ According to INS, the average time for processing naturalization applications is more than 2 years nationwide. In some of the nation's cities with the largest immigrant populations, the waiting time varies: it takes more than a year and a half in New York City, almost 3 years in Los Angeles, and more than 5 years in Miami. In addition, INS reported significant increases in the number of naturalization applications, from 423,000 in 1989 to more than 1.2 million in fiscal year 1996. INS officials cited the benefits that immigrants would gain from their citizenship among the reasons they expect the number of applications to remain high.⁴¹

States Continue to Face Challenges Implementing New Restrictions for Immigrants

The eligibility changes under welfare reform for immigrants expanded states' administrative responsibilities and added financial responsibilities for those states choosing to provide replacement benefits. Due to these changes, the states will be revising procedures and automated systems to meet the new requirements for verifying an immigrant's eligibility for welfare benefits. Although some states have concerns about correctly implementing these new requirements, federal agencies neither require nor plan special monitoring efforts for determining if the states are correctly determining eligibility. In addition to the challenges all states face, those providing state-funded programs face challenges obtaining future funding and managing the different eligibility rules and funding streams of both federal and state programs.

States Face Administrative Challenges Following Restrictions

Implementing the new restrictions required the states and localities to educate welfare workers and immigrant recipients about the eligibility changes and to recertify the eligibility of immigrant recipients. Program

⁴⁰Average processing times for naturalization applications during fiscal year 1997 were over 9 months in Seattle, almost 1 year in Newark, and just under 3 years in San Francisco, according to INS estimates.

⁴¹See *Alien Applications: Processing Differences Exist Among INS Field Units* (GAO/GGD-97-47, May 20, 1997).

officials in the states we visited noted that completing the recertifications was time consuming. States' more recent and future challenges include implementing the new alien status verification requirements—verifying the citizenship or immigration status of applicants for all federal public benefits, implementing the new sponsor deeming requirements, and enforcing affidavits of support for immigrants sponsored by family members.

Officials in the states we visited anticipated making changes to their automated systems or encountering additional work to implement the new verification procedures or develop separate eligibility determination processes to reflect new distinctions among programs. With the new restrictions, states need more information on alien status for making eligibility determinations. Until INS issues the final regulations, the states can follow the interim INS verification guidelines. States will have 2 years after final regulations are issued to ensure that their verification systems comply with the regulations. According to INS, either proposed or interim regulations will most likely be issued in July 1998. States will face the challenge of modifying their procedures and automated systems for determining citizenship or alien status before making eligibility determinations for federal programs. According to the American Public Welfare Association, the states must modify their software programs to address the differing eligibility criteria under welfare reform. In addition, several officials in the states we reviewed reported that it takes additional steps and time for caseworkers to verify the alien status of immigrants applying for benefits and to determine or recertify their eligibility for federal programs. Officials often noted the potential for confusion in making accurate eligibility decisions, prompting concerns about providing benefits to those eligible and denying benefits to those who no longer qualify.

Although concerns exist about correctly implementing welfare restrictions for immigrants, federal agencies neither require nor plan special monitoring efforts for determining if the states are correctly determining immigrants' eligibility for benefits. At the time of our review, federal officials for the Medicaid, SSI, and Food Stamp programs told us that errors in providing benefits to ineligible immigrants could be detected in their quality control reviews. HHS officials commented that TANF program rules require no quality control reviews, and the only method they would have for monitoring immigrant restrictions, such as the length of time an individual receives TANF benefits, is through TANF's annual single state audit. USDA officials reported that several states did not implement the new

food stamp restrictions for immigrants by the required time.⁴² USDA billed one state for the amount of federal food stamp benefits provided to immigrants after the restrictions were to have been implemented. By January 1998, USDA officials indicated that as far as they knew all states had fully implemented the food stamp restrictions for immigrants.

Issues that the states will face in the future include implementing the new deeming requirements and enforcing the affidavits of support. At the time of our review, the states we visited were waiting for federal or state guidance on implementing these requirements and were uncertain about how they would enforce the new affidavits of support. Welfare reform allows federal, state, and local agencies to seek reimbursement for benefits provided to sponsored immigrants; however, some officials expressed concern about the possible difficulties of locating sponsors who may have moved without reporting a change of address to the INS. The new affidavits of support have been in use since December 19, 1997, for new immigrants and for those whose alien status is changing on or after that date as, for example, from temporary residency to lawfully admitted for permanent residence.

Challenges for State-Funded Programs

As a result of the welfare reform law, states faced major decisions on whether to provide assistance to immigrants no longer entitled to federal benefits. States that chose to provide state-funded assistance to immigrants face some long-term challenges funding and implementing these programs. Officials in the states we reviewed cautioned us that future funding for new state programs is uncertain. Although currently approved, funding for programs was appropriated for only a limited time—ranging from 1 to 2 years in the states we reviewed—and passed during favorable economic times. In New Jersey, for example, the state-funded food stamp program was funded through June 30, 1998, and the state needs to pass legislation to continue the program. California officials reported that although funding for state-provided medical assistance, food stamps, and TANF is not a pressing issue now, future funding is somewhat uncertain. They said the continuation of these state-funded programs depends on the state's economy and on legislative decisions.

⁴²According to USDA, the following 17 states, either statewide or within counties or cities, did not implement the restrictions on time: Alaska, Arkansas, California, Delaware, Hawaii, Kansas, Maine, Maryland, Massachusetts, Minnesota, Missouri, New Mexico, New York, Pennsylvania, Tennessee, Vermont, and West Virginia.

The states we reviewed reported determining and tracking the fiscal claims for state and federal funds in parallel programs as an implementation challenge. Implementing state-funded food stamp programs, for example, requires states to track and report to USDA the separate federal and state food stamp issuances. In addition, some state officials reported that determining eligibility and calculating separate federal and state benefit amounts for “mixed” households—those with members who are citizens and immigrants—is challenging. A mixed household could have a new immigrant mother and a citizen child who are receiving food stamps and cash and medical assistance funded separately by federal and state dollars. Washington state officials noted that to some extent they can calculate separate benefit amounts and funding sources because their new computer system is designed to track this information. California officials reported they would have to reprogram their automated systems to identify and track costs of benefits provided to immigrants through federal and state programs. California counties manually tracked immigrants receiving benefits under certain programs until the programming changes were completed.

Observations

The welfare reform law represents a significant shift of responsibility for decisions about aiding needy immigrants from the federal government to the states. Federal policy now gives the states much latitude in restricting immigrants’ eligibility for welfare programs. States’ welfare policies vary in their treatment of both pre-reform and new immigrants, according to our review. For many immigrants, the extent of assistance provided will depend on state policies and other assistance available at the local level. For those federal benefits that the states could choose to continue, almost all states did so. For those federal benefits that were terminated, many states chose to provide state-financed benefits for at least some part of this population. Few states, however, completely replaced lost federal benefits for either pre-reform or new immigrants. Some local programs, including food banks, already report an increased need for food assistance due to the welfare reform restrictions for immigrants.

Our work reviewed the significant changes prompted by welfare reform in its early stages—changes affecting immigrants, including both those immigrating before and after the passage of the law and those considering future immigration. The states are focusing their welfare assistance efforts on immigrants living in the United States before welfare reform and have not yet focused much attention on the possible needs of new immigrants. In addition, the states’ choices about providing additional benefits to

immigrants, whether pre-reform or new, were made during favorable economic times and could change during less prosperous times. Furthermore, how federal, state, and local agencies will enforce the new affidavits of support is unknown. In general, it is too soon to measure the long-term impact of welfare reform on immigrants and immigration.

Agency Comments

In commenting on a draft of this report, HHS took no exception with the report findings, and USDA generally agreed with the findings and observations. Their comments are included in appendixes II and III, respectively. USDA also noted the recent enactment of legislation that restores eligibility for federal food stamp benefits to approximately 250,000 legal immigrants beginning in November 1998, which the report discusses. In addition, USDA stated that it is too early to know the extent to which states operating state-funded food assistance programs will continue their programs for those noncitizens in need of food assistance who remain ineligible for federal benefits. We agree that it is too early to know how the states will respond to this new legislation. HHS and USDA also provided technical comments, which we incorporated as appropriate.

We also provided copies of a draft to SSA, INS of the Department of Justice, and the states of California, New Jersey, and Washington. They provided technical comments, which we incorporated as appropriate.

We are sending copies of this report to the Secretaries of USDA and HHS and the Commissioners of SSA and INS. We will also make copies available upon request. If you or your staff have any questions about this report, please contact Gale C. Harris, Assistant Director, at (202) 512-7235, or Suzanne Sterling, Senior Evaluator, at (202) 512-3081. Other major contributors to this report are Elizabeth Jones, Deborah Moberly, and Julian Klazkin.

Sincerely yours,



Mark V. Nadel
Associate Director
Income Security Issues

Contents

Letter		1
Appendix I		26
Benefits Available to	California	26
Immigrants in Three	New Jersey	28
States Visited	Washington	30
Appendix II		34
Comments From the		
Department of Health		
and Human Services		
Appendix III		36
Comments From the		
U.S. Department of		
Agriculture		
Related GAO Products		40
Tables	Table 1: Overview of Federal Welfare Program Eligibility for Immigrants	5
	Table 2: State-Funded Food Stamp or Other Food Assistance Programs	14

Abbreviations

EBT	electronic benefic transfer
HHS	Department of Health and Human Services
INS	Immigration and Naturalization Service
PRUCOL	Permanently Residing Under the Color of Law
SAVE	Systematic Alien Verification for Entitlement
SSA	Social Security Administration
SSI	Supplemental Security Income
TANF	Temporary Assistance for Needy Families
TEFAP	The Emergency Food Assistance Program
USDA	U.S. Department of Agriculture

Benefits Available to Immigrants in Three States Visited

This appendix summarizes information on the benefits available to needy immigrants⁴³ in the locations we visited: San Francisco County, California; Essex County, New Jersey; and Seattle, Washington. The information reflects the states' actions before enactment of P.L. 105-185 (signed into law in June 1998) that will restore, effective November 1, 1998, federal food stamp eligibility for some pre-reform immigrants.

California

According to INS, as of April 1996 California had about 3.7 million or 35 percent of immigrants living in the United States and ranked as the state with the largest immigrant population. Besides continuing to provide Temporary Assistance for Needy Families (TANF) and Medicaid benefits to immigrants, California is funding a food stamp program for some of those who lost federal benefits. In addition to the state programs available, San Francisco County provides immigrants with food assistance through local food banks, cash benefits through general assistance, and naturalization assistance through community-based organizations.

TANF-Comparable Benefits

California chose to provide TANF—through the state's CalWORKS program—to immigrants regardless of their date of entry into the country. In May 1997, the immigrant caseload of 199,381 accounted for almost 22.5 percent of California's total TANF caseload, according to state estimates. At an average grant of \$192 a month, it would cost the state over \$178,000 a month to provide state-funded cash assistance to the 931 eligible new immigrant families it estimated would enter California between August 22, 1996, and December 31, 1997.

Medical Assistance

In addition to TANF-comparable benefits, California is providing Medicaid or comparable medical assistance—through its Medi-Cal program—to immigrants regardless of their date of entry, which has increased state spending and prompted changes to state and county data systems to track costs. California officials estimate that about 2,797 or 20 percent of new immigrants will apply for Medi-Cal benefits each month. On the basis of this estimate, by the year 2001, an additional 168,000 immigrants would apply for the state-funded Medi-Cal benefits.

⁴³In this app., we generally discuss the rights and responsibilities of immigrants who are lawfully admitted for permanent residence; however, where relevant, we do mention how the law has affected other groups of noncitizens such as refugees and asylees.

General Assistance

California does not fund statewide assistance specifically to replace SSI benefits; however, counties must have general assistance programs. These benefits may be available for nondisabled pre-reform immigrants who are not already receiving SSI and for new immigrants who are no longer eligible for SSI. San Francisco County, for example, provides general assistance to immigrants no longer eligible for SSI of up to \$345 per month, which is lower than the average SSI benefit for immigrants of \$532 per month. According to a study done in San Francisco County, for each elderly and disabled immigrant no longer eligible for federal assistance on the basis of immigration status who receives general assistance or some form of local cash assistance, the city and county will incur an additional annual cost of between \$4,140 and \$7,800 per person.⁴⁴ If SSI benefits had not been restored, San Francisco estimated that it would have cost the city and county as much as \$31 million to provide general assistance to an estimated 7,500 immigrants during the first fiscal year after the termination of SSI benefits.

Food Assistance

The state created the California Food Assistance Program for Legal Immigrants to provide food stamps to certain categories of pre-reform immigrants. The state-funded food stamps provide these immigrants with the same amount of benefits as those previously received under the federal program and are available to those pre-reform immigrants younger than 18 and aged 65 and over. The program, which is authorized to operate through July 1, 2000, received appropriations of \$35.6 million for fiscal year 1998. Begun on September 1, 1997, the program replaces lost federal food stamps for about 56,000 of the 151,700 pre-reform immigrants who lost their federal benefits, according to state estimates. New immigrants are not eligible for state-funded food assistance; however, some local food assistance is available, officials said.

Although San Francisco County explored the possibility of providing a food stamp program for those no longer eligible for federal or state food stamps, such as adults under age 65, it has not established such a program. The county, however, provided additional funding of \$186,000 to a local food bank to increase purchases and add three or four new distribution centers targeted to reach immigrants no longer eligible for food stamps. These immigrants received notice by mail of the new centers and were told to present their letters at the distribution centers to receive food, which they may claim on a weekly basis. To increase immigrants' use of

⁴⁴The Mayor's Welfare Reform Task Force Final Report: Strategies for Welfare Reform in the City and County of San Francisco, City and County of San Francisco Department of Human Services (San Francisco, Cal.: May 1997).

the distribution centers, the county and the local food bank are also planning to provide more culturally appropriate foods.

Naturalization Assistance

California has no statewide naturalization assistance program; however, selected counties and localities in the state provide some assistance. Thirty-five of the state's 58 counties provide some naturalization assistance.⁴⁵ San Francisco County formed the Naturalization Project to provide assistance targeted to the most vulnerable of the immigrant population—those expected to lose SSI before its retention and those scheduled to lose federal food stamp benefits. The goals of the project—comprised of a coalition of city and county government departments, community-based organizations, senior services providers, schools, colleges, private businesses, foundations, and concerned citizens—are to substantially expand service capacity; guarantee responsive, individualized high-quality services; and create a structured network of community services by leveraging all available public, private, and community resources. Funding for this project includes a grant of over \$1 million from a private foundation for 1997.

New Jersey

According to INS, as of April 1996 New Jersey had approximately 462,000 or over 4 percent of immigrants living in the United States, making it the state with the fifth largest immigrant population. Along with choosing to continue TANF and Medicaid benefits for pre-reform immigrants and to provide these benefits to new immigrants after the federal 5-year bar, New Jersey devised a new state-funded food stamp program to replace lost federal benefits and a statewide naturalization assistance program. In addition to these state-level programs, Essex County provides some food assistance to its immigrants through local food pantries and soup kitchens.

TANF-Comparable Benefits

New Jersey chose to continue TANF benefits for pre-reform immigrants and to provide these benefits to new immigrants following the federal 5-year bar. The Work First New Jersey program, which is administered at the county level, provides these benefits. New Jersey combined its TANF and general assistance programs in January 1997 to form the Work First New Jersey program. The state provides no state-funded cash assistance to new immigrants during the 5-year federal bar.

⁴⁵Survey conducted by the Public Policy Institute of California on Citizenship Activity in California counties for 1997 and 1998.

Medical Assistance

New Jersey provides Medicaid to pre-reform and new immigrants following the 5-year bar. In addition, the state provides funding for Medicaid-comparable assistance to new immigrants during the 5-year federal bar. The state, however, plans to reduce the medical benefits available to new immigrants to emergency services only.⁴⁶ According to New Jersey officials, the state must pass legislation to change the current state law, which requires full medical benefits for all individuals, including immigrants.

New Jersey officials also noted that an estimated 2,000 noncitizens no longer eligible for federal Medicaid assistance because they did not meet the new qualifications in the welfare reform law, such as Permanently Residing Under the Color of Law (PRUCOL), were receiving state-funded medical assistance. When the state passes legislation, 1,900 of these individuals' medical assistance benefits will be reduced to cover only emergency services.

In addition to providing Medicaid and state-funded medical assistance, the state funds several hospitals to treat indigent individuals, including immigrants, through New Jersey's Charity Care program.

General Assistance

Along with the TANF portion of the Work First New Jersey program discussed, the general assistance portion of the program provides benefits to single adults or childless couples. Certain noncitizens who remain in the country legally, such as PRUCOLS, but no longer meet the eligibility criteria for federal programs may be eligible for general assistance. They may receive benefits until they can apply for naturalization, as well as for an additional 6 months after they apply, which was the time estimated for completing the naturalization process. State officials were unsure, however, whether the 6-month restriction would be enforced because the average naturalization processing time in New Jersey now is much longer than the 6-month estimate. New immigrants are barred from receiving Work First New Jersey benefits during the first 5 years of residency in the country. The benefit level of general assistance provided through Work First New Jersey averages \$140 per month for employable individuals and \$210 per month for unemployable individuals; both rates are lower than the average monthly SSI benefit of \$515.25.

⁴⁶The state will continue to provide medical assistance to victims of domestic violence.

Food Assistance

New Jersey created the State Food Stamp program in August 1997 to provide benefits for certain categories of pre-reform immigrants who lost their federal food stamps—those younger than 18, aged 65 and over, or who are disabled. This program, which was created by an executive order of the state's governor, provided \$15 million for contracting with USDA to purchase federal food stamp benefits for this population through June 1998. However, as of June 12, 1998, legislation was pending to continue the state-funded food stamp benefits beyond this time. The legislation would also expand eligibility to include those between the ages of 18 and 65 who have at least one child under 18.

The program's eligibility criteria and benefit levels mirror the federal program's, with the exception of not requiring citizenship. In addition, the program requires participants to apply for citizenship within 60 days of their eligibility to do so. New Jersey officials originally estimated that 17,000 immigrants lost their federal food stamp benefits due to welfare reform changes; however, as of February 1998, officials reported that the program was providing state-funded benefits to about 5,700 immigrants. Although new immigrants are ineligible for state-funded food assistance, all immigrants are eligible to receive food assistance through local food pantries and soup kitchens statewide.

Naturalization Assistance

New Jersey provided funding for a statewide naturalization assistance program run through a coalition of 31 service providers in the Immigration Policy Network. The program began providing assistance in January 1997 with \$2 million in state funds and \$2 million in private funds. The project initially targeted those immigrants expected to lose SSI benefits before they were reinstated. Later in the year, the project was expanded with an additional \$2 million in public funds and \$2 million in private funds to provide assistance to those immigrants scheduled to lose federal food stamps. Services provided through the program include English language and civics classes, legal assistance with applications, and assistance with medical waivers for exemption from citizenship or language testing. As of February 1998, about 4,200 individuals participating in the program had completed naturalization applications. The program is scheduled to continue through December 1998.

Washington

According to INS, as of April 1996 approximately 174,000 or about 2 percent of immigrants in the United States lived in the state of Washington, making it the state with the 10th largest immigrant population. Anticipating the

federal restrictions under welfare reform, the governor proposed programs that would treat immigrants in need the same as citizens. Besides continuing to provide TANF and Medicaid benefits for pre-reform immigrants and providing these benefits to new immigrants following the 5-year bar, Washington devised several new state-funded programs to replace lost federal benefits and provides naturalization assistance as well. In addition to these state programs, Seattle created its own naturalization assistance program for immigrants and refugees losing federal and state benefits.

**TANF-Comparable
Benefits**

Washington chose to continue TANF benefits for pre-reform immigrants and to provide these benefits to new immigrants after the 5-year bar. In November 1997, the state began providing state-funded cash assistance for new immigrants during the federal 5-year bar. Immigrants are eligible to apply for these benefits after living in the state for 12 months. With the exception of not requiring citizenship, the state-funded program applies the same eligibility and deeming rules as the TANF program and offers the same level of benefits. As of February 1998, approximately 230 immigrant families were receiving state-funded cash assistance at a monthly cost to the state of about \$74,000.

Medical Assistance

Washington provides Medicaid benefits to pre-reform and new immigrants following the 5-year bar. In August 1997, the state began providing state-funded medical assistance to new immigrants during the federal 5-year bar if they met the requirements considered to be categorically needy. Like the state-funded cash assistance program, the state medical assistance program requires a residency period of 12 months. With the exception of not requiring citizenship, the program applies the same eligibility criteria and deeming rules as the federal program and offers the same level of benefits. As of December 1997, a total of 389 immigrants participated in the program at cost to the state of approximately \$5,200 for that month.

In addition to this state-funded medical assistance, some new immigrants may receive additional state or local medical assistance during their 5-year bar. The types of assistance available include medical care services for incapacitated, aged, blind, or disabled people determined eligible for general assistance; emergency medical services; and services for pregnant women and children not eligible for the state medical assistance program.

General Assistance

Washington provides general assistance benefits for some new immigrants who are no longer eligible for SSI. Immigrants who are 18 and older and incapable of gainful employment for at least 90 days can apply for the state's General Assistance-Unemployable program. This program provides an average monthly benefit of \$339, which is less than the average monthly SSI benefit of \$512.

Food Assistance

In 1997, Washington created the Food Assistance program to provide state-funded food stamp benefits for pre-reform and new immigrants no longer eligible for federal food stamps. At the state's initiative, Washington was the first of eight states to contract with USDA to purchase federal food stamps. The eligibility criteria and benefit levels mirror the federal program's, with the exception of not requiring citizenship. The state program began with a budget of \$65 million for fiscal years 1998 and 1999. The state estimated that the program would serve approximately 38,363 immigrants in 1998; however, state officials mentioned that this estimate did not account for those immigrants who became citizens or qualified for federal benefits due to an exception such as being credited with 40 work quarters. As of January 1998, the program was serving about 14,800 immigrants at a cost to the state of approximately \$1.7 million for that month.

Naturalization Assistance

Washington's naturalization assistance program, which began before welfare reform, targets its assistance to those immigrants expected to lose federal benefits. For fiscal years 1998 and 1999, funding for the program totaled approximately \$1.5 million per year. According to state officials, an average of 1,200 immigrants participated in the program each month since July 1997. Washington officials estimate that over 70 percent of the participants complete their classes and file a citizenship application. Services provided through the program include help with completing applications, payment of citizenship application and photograph fees, and training courses to help them pass citizenship exams.

Seattle also provides several services for immigrants through its naturalization program—the New Citizen Initiative. Begun in 1996, the program is administered by the city's Department of Housing and Human Services in partnership with the Seattle Public Library and a consortium of community-based organizations. The program provides a variety of services for immigrants, including a naturalization information clearinghouse, and prioritizes its services for immigrants who are elderly,

Appendix I
Benefits Available to Immigrants in Three
States Visited

disabled, or have inadequate language and literacy skills. The city has funded this initiative with \$500,000 for fiscal years 1998 and 1999, and private organizations are providing an additional \$200,000 in funding. Program officials estimate that assistance will be provided to between 500 and 800 immigrants during 1998.

Comments From the Department of Health and Human Services



DEPARTMENT OF HEALTH & HUMAN SERVICES

Office of Inspector General

Washington, D.C. 20201

JUN 29 1998

Mr. Mark V. Nadel
Associate Director,
Income Security Issues
United States General
Accounting Office
Washington, D.C. 20548

Dear Mr. Nadel:

The Department has carefully reviewed your draft report entitled, "Welfare Reform: Many States Continue Some Level of Federal or State Benefits for Immigrants." The comments represent the tentative position of the Department and are subject to reevaluation when the final version of this report is received.

The Department appreciates the opportunity to comment on this draft report before its publication.

Sincerely,

A handwritten signature in cursive script that reads "June Gibbs Brown".

June Gibbs Brown
Inspector General

Enclosure

The Office of Inspector General (OIG) is transmitting the Department's response to this draft report in our capacity as the Department's designated focal point and coordinator for General Accounting Office reports. The OIG has not conducted an independent assessment of these comments and therefore expresses no opinion on them.

Appendix II
Comments From the Department of Health
and Human Services

COMMENTS OF THE DEPARTMENT OF HEALTH AND HUMAN SERVICES ON THE
U.S. GENERAL ACCOUNTING OFFICE DRAFT REPORT, "WELFARE REFORM:
MANY STATES CONTINUE SOME LEVEL OF FEDERAL OR STATE BENEFITS FOR
IMMIGRANTS" (GAO/HEHS-98-132)

General Comments

The General Accounting Office (GAO) report provides interesting information specifically relating to State responses to welfare reform changes for immigrants. The Department clearly supports all Federal efforts to provide some form of welfare benefits to the immigrant population.

Comments From the U.S. Department of Agriculture



**United States
Department of
Agriculture**

JUN 26 1998

Food and
Consumer
Service

3101 Park
Center Drive

Alexandria, VA
22302-1500

Mr. Mark V. Nadel, Associate Director
Income Security Issues
Health, Education and Human Services Division
United States General Accounting Office
441 G Street, N.W.
Washington, D. C. 20548

Dear Mr. Nadel:

This letter provides agency comments on the draft report, "Welfare Reform: Many States Continue Some Level of Federal or State Benefits for Immigrants." We appreciate the opportunity to review the draft and also appreciate the full discussion provided by the exit conference with the General Accounting Office (GAO).

Since the draft report was completed, President Clinton fulfilled his pledge to improve the 1996 Welfare Reform Legislation by signing into law the Agriculture Research, Extension, and Education Reform Act of 1998 (S. 1150). This legislation will restore eligibility for Federal food stamp benefits to approximately 250,000 legal immigrants beginning in November 1998. Specifically, benefits are restored to the most vulnerable groups of noncitizens: qualified aliens who are (or become) blind or disabled and who were lawfully residing in the United States (U.S.) on August 22, 1996; qualified alien children under 18 who were lawfully residing in the U.S. on August 22, 1996; qualified aliens who were 65 or older on August 22, 1996, and were lawfully residing in the U.S. on August 22, 1996; cross-border Native Americans; and Hmong and Highland Laotians (including the spouse, unmarried dependent children of such individuals or unremarried surviving spouse of such deceased individuals) who are lawfully residing in the U.S. and were a member of a tribe at the time that tribe aided U.S. personnel during the Vietnam conflict. In addition, refugees and asylees would have their eligibility period extended from five to seven years upon entering the U.S. While not as comprehensive as the President's 1998 Budget Proposal, the new legislation will go a long way in restoring benefits to these important members of our society. We recommend that the draft report be revised to incorporate the enactment of this legislation.

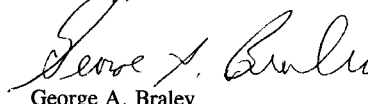
This legislation has a significant impact on the State-Funded Food Stamp Programs since many of the noncitizens whose eligibility for Federal benefits is restored are currently receiving food assistance under the State programs. However, it is too early to know the extent to which States operating food assistance programs will continue their programs for those noncitizens in need of food assistance who remain ineligible for Federal benefits.

2

We agree with many of the observations and conclusions made by GAO in the draft report. However, we are enclosing additional technical comments to further clarify information presented in the report.

Please let us know if we may be of assistance in preparing the final report.

Sincerely,


George A. Braley
Acting Administrator

Attachment

Related GAO Products

Welfare Reform: States Are Restructuring Programs to Reduce Welfare Dependence ([GAO/HEHS-98-109](#), June 18, 1998).

Medicaid: Early Implications of Welfare Reform for Beneficiaries and States ([GAO/HEHS-98-62](#), Feb. 24, 1998).

Welfare Reform: State and Local Responses to Restricting Food Stamp Benefits ([GAO/RCED-98-41](#), Dec. 18, 1997).

Illegal Aliens: Extent of Welfare Benefits Received on Behalf of U.S. Citizen Children ([GAO/HEHS-98-30](#), Nov. 19, 1997).

Alien Applications: Processing Differences Exist Among INS Field Units ([GAO/GGD-97-47](#), May 20, 1997).

Food Stamp Program: Characteristics of Households Affected by Limit on the Shelter Deduction ([GAO/RCED-97-118](#), May 14, 1997).

Welfare Reform: Implications of Proposals on Legal Immigrants' Benefits ([GAO/HEHS-95-58](#), Feb. 2, 1995).

Ordering Information

The first copy of each GAO report and testimony is free. Additional copies are \$2 each. Orders should be sent to the following address, accompanied by a check or money order made out to the Superintendent of Documents, when necessary. VISA and MasterCard credit cards are accepted, also. Orders for 100 or more copies to be mailed to a single address are discounted 25 percent.

Orders by mail:

**U.S. General Accounting Office
P.O. Box 37050
Washington, DC 20013**

or visit:

**Room 1100
700 4th St. NW (corner of 4th and G Sts. NW)
U.S. General Accounting Office
Washington, DC**

**Orders may also be placed by calling (202) 512-6000
or by using fax number (202) 512-6061, or TDD (202) 512-2537.**

Each day, GAO issues a list of newly available reports and testimony. To receive facsimile copies of the daily list or any list from the past 30 days, please call (202) 512-6000 using a touchtone phone. A recorded menu will provide information on how to obtain these lists.

For information on how to access GAO reports on the INTERNET, send an e-mail message with "info" in the body to:

info@www.gao.gov

or visit GAO's World Wide Web Home Page at:

<http://www.gao.gov>

**Bulk Rate
Postage & Fees Paid
GAO
Permit No. G100**

Address Correction Requested