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November 1997

ILLEGAL ALIENS

Extent of Welfare Benefits Received on Behalf of U.S. Citizen Children





United States
General Accounting Office
Washington, D.C. 20548

Health, Education, and
Human Services Division

B-278096

May 22, 1998

The Honorable Donna E. Shalala
The Secretary of Health and Human Services

Dear Madam Secretary:

Enclosed is a copy of our proposed report Welfare Reform: Many States Continue Some Level of Federal or State Benefits for Immigrants (GAO/HEHS-98-132). We are providing the draft for your review and comment before it is issued in final form.

Your comments, which will be included in whole or in part in our final version, should be provided to us no later than June 22, 1998. If you cannot meet the deadline, please contact Gale Harris, Assistant Director, on (202) 512-7235 immediately.

As indicated on the draft cover page, the draft and all of its copies belong and must be returned on demand to the General Accounting Office. The report's use is also restricted and its publication or improper disclosure should be prevented.

Sincerely yours,

A handwritten signature in cursive script, reading "Mark V. Nadel".

Mark V. Nadel
Associate Director,
Income Security Issues

Enclosure

GAO

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

Date 1998

Welfare Reform:

Many States Continue Some Level of Federal or State Benefits for Immigrants

Notice:

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DRAFT

DRAFT

DATE

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:

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 towards legal immigrants, who had generally been eligible for public benefits on the same basis as citizens. In enacting this change, the Congress expressed interest in ensuring that the availability of public benefits did not constitute an incentive for immigration and that immigrants entering this country would be self-reliant. Title IV of the law entitled "Restricting Welfare and Public Benefits for Aliens", as amended by subsequent legislation², made immigrants ineligible for certain federal welfare benefits and gave states options to restrict immigrants' access to other federal, state, and

¹The law affects the rights of immigrants who are legal permanent residents as well as other noncitizens legally in the United States. These other groups, such as refugees and asylees, together with immigrants, are defined in the law as "qualified aliens". In this report, we generally discuss the rights and responsibilities of immigrants; however, where relevant, we do mention how the law has affected other groups.

²Two pieces of legislation contained significant amendments to the immigrant provisions of this law: 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 incorporated in our report.

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, referred to as pre-reform immigrants in this report, or after enactment, referred to as new immigrants.

The 1996 legislation, hereafter referred to as the welfare reform law, restricts immigrants' eligibility for key federal means-tested programs, including Temporary Assistance for Needy Families (TANF), Medicaid, Supplemental Security Income (SSI), and Food Stamps. Specifically, the law does not allow new immigrants to receive TANF and Medicaid benefits³ their first five years in the United States. In addition, the law allows states the option of restricting TANF and Medicaid eligibility for pre-reform immigrants as well as for new immigrants after they have resided in the United States for five years. Although the law restricted SSI benefits for immigrants, the Balanced Budget Act of 1997 reinstated these benefits for pre-reform immigrants already on the rolls and those who are or become blind or disabled in the future. New immigrants, however, remain barred from receiving SSI benefits. Moreover, the welfare reform law bars both pre-reform and new immigrants from receiving federal 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 assist them.

³Also see Medicaid: Early Implications of Welfare Reform for Beneficiaries and States (GAO/HEHS-98-62, February 1998).

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 questions:

- (1) What options did states choose regarding TANF and Medicaid benefits for immigrants and what state-funded assistance is available to new immigrants during the five-year bar?
- (2) For restricted federal programs, SSI and Food Stamps, how many immigrants, including children, had federal benefits terminated, and what state-funded assistance is available to them? and
- (3) What major implementation issues and challenges do state agencies face in administering the provisions that changed welfare assistance for immigrants?

Although immigration policy has numerous effects on states, our review focused specifically on how states were responding to the welfare reform changes for immigrants. To obtain information on what benefits the 50 states 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. We conducted fieldwork in three of the top ten states⁴ where most immigrants reside—California, Washington, and New

⁴According to the Immigration and Naturalization Service (INS), as of April 1996, over 80 percent of the nation's immigrants resided in ten states. These states, listed in order from highest to lowest of the immigrant population, are: California, New York, Texas, Florida, New Jersey, Illinois, Massachusetts, Virginia, Maryland, and Washington.

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 surrounding the welfare reform changes to benefits for immigrants, we spoke with officials at the federal level for 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 states could have dropped immigrants from their welfare rolls, most states have chosen to provide some form of welfare benefit to segments 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 they have resided in the United States for five years. About a third of the states use state funds to provide similar assistance to some new immigrants during the five-year bar. Among these states are six of the ten states where most immigrants reside—two states provide state-funded medical assistance and four states provide both state-funded TANF and medical assistance.

With states' continuation of TANF and Medicaid benefits for pre-reform immigrants and the retention of their SSI benefits, the greatest economic impact of welfare reform for pre-reform immigrants is the loss of federal food stamp benefits. Following the implementation of the food stamp restrictions, an estimated 940,000 immigrants receiving food stamps in 1997 were no longer eligible to receive them. Almost one-fifth of those no longer eligible are immigrant children. Thirteen states created state-funded food stamp programs which serve about a quarter of those no longer eligible—primarily children, the disabled, and elderly. Fewer states, however, offer state-funded food stamps to new immigrants.

With implementation of the welfare reform restrictions for immigrants, states and local governments face added responsibilities. Future challenges for states 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. States we visited anticipated undertaking major systems changes and other additional work to implement the new verification procedures. Further, 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 a lawfully present immigrant had not been a factor in determining whether an individual was eligible to apply for welfare benefits. Welfare reform changed the rules by substantially restricting pre-reform and new immigrants' access to means-tested benefits. Table I illustrates 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 and new immigrants are not eligible for federal benefits the first five years they reside in the United States, until they become naturalized citizens⁵, or are in a category of immigrants excepted from the restrictions.

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

Table I: Overview of Federal Welfare Program Eligibility for Immigrants as of May 1998

Federal Program	Immigrants	
	Pre-reform (entered U.S. before August 22, 1996) ^{a, b}	New (entered U.S. on or after August 22, 1996) ^a
TANF: assistance for needy families with dependent children who meet state eligibility criteria	State's option to continue benefits. ^c	No benefits available for first 5 years, then at state's option.
Medicaid ^d : medical assistance to needy individuals who meet federal/state eligibility criteria	Benefits continued for those receiving SSI, and state's option to continue benefits for others. ^c	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 ^e , 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	Benefits terminated by 8/22/97, and no benefits available until citizenship.	No benefits available until citizenship.

^aExceptions allow for benefits to be provided to pre-reform and new immigrants who are: honorably discharged veterans, active duty personnel, or their spouses and dependent children; battered spouses or the parents of battered children; or aliens entering the U.S. as refugees or asylees, including Amerasian immigrants and Cuban or Haitian entrants; and those whose deportation is withheld for at least one year. In general, refugees and asylees are eligible for TANF and Food Stamp benefits during the first five years and for Medicaid and SSI the first seven years they reside in the country.

^bExceptions also allow for benefits to be provided to pre-reform immigrants who can be credited with 40 work quarters through their parents', spouse's, or their own work.

^cCertain noncitizens, who remain in the country legally, no longer meet the eligibility criteria for TANF, Medicaid, and SSI.

^dPre-reform immigrants who lost SSI also generally lost their automatic eligibility for Medicaid. However, pre-reform immigrants who lost Medicaid and new immigrants remain eligible 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 five-year bar. As originally passed, the welfare reform law generally eliminated immigrants' eligibility for SSI and Food Stamps. An amendment included in 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 remain barred from receiving SSI benefits unless they become citizens. The welfare reform law also specifies federal programs from which an immigrant cannot be barred.⁶

The 105th Congress is considering restoration of food stamp benefits for some legal immigrants. Proposed legislation would restore food stamp eligibility to those pre-reform immigrants who are under the age of 18, age 65 and older as of August 22, 1996, or disabled or become disabled.⁷

⁶All 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 the protection of life or safety (such as soup kitchens, child protection services, and short-term shelters); and programs for housing or community development assistance or financial assistance.

⁷As of May 20, 1998, the bill, entitled the Agricultural Research, Extension, and Education Reform Act of 1998 (S.1150), has been agreed to in conference and passed by the Senate. To be enacted into law, it must be passed by the House and signed by the President. In

In addition to restricting immigrants' eligibility for welfare benefits, the 1996 welfare reform law revised requirements for those sponsoring immigrants' entry to 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 also 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, the sponsored immigrant, and accompanying family members.¹¹ Moreover, to address concerns about the financial support agreements under the prior law, which several courts ruled were unenforceable, the new law specifies that the affidavit is now a legally binding contract enforceable against the sponsor by the immigrant, the U.S. government, or any state or locality which

addition to the changes noted above, the bill would restore eligibility for food stamp benefits to certain Hmong or Highland Laotian tribe entrants lawfully residing in the United States, regardless of their date of entry, and extend the eligibility period for refugees and asylees from five to seven years after entering the country.

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

⁹Under prior law, immigrants could have a sponsor sign an affidavit of support in order to show they would be self-sufficient after entering the country but affidavits were not required for all immigrants sponsored by relatives.

¹⁰Sponsors on active duty in the military need an income of at least 100 percent of the poverty level.

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

provides any federal means-tested public benefit.¹² The affidavit is enforceable until the sponsored immigrant naturalizes, is credited with 40 work quarters, permanently leaves the country, or dies.

In addition to making the affidavit legally enforceable, the law extends sponsors' support of immigrants by lengthening the time a sponsor's income is attributable to a new immigrant if the immigrant applies for welfare benefits. This attribution, called deeming, was previously mandated in some federal programs; however, the sponsor's income was generally included for only the first three years an immigrant was in the country. 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 to add deeming requirements to state and local means-tested programs.

The new requirements related to the affidavit of support and deeming 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 aiding the immigrants they have agreed to support. In this way, unless a

¹²The following programs have been determined to be federal means-tested public benefits: Food Stamps, Medicaid, SSI, and TANF.

sponsor suffers a financial setback, an immigrant is expected to be less likely to be in need of and receive public benefits.

The welfare reform law also requires states to implement new procedures to verify an alien's status when determining eligibility for benefits in accordance with federal regulations. States have two years after the Immigration and Naturalization Service (INS) issues final regulations to ensure their verification procedures are in compliance with the regulations. The verification procedures include determining individuals' status as citizens or aliens, and whether they are eligible for federal public welfare benefits, including grants, contracts, or loans provided by an agency of or appropriated funds of the United States. INS responds to inquiries by federal, state, and local government agencies seeking to verify or determine citizenship or immigration status.¹³

STATES' APPROACHES TO PROVIDING TANF AND MEDICAID TO IMMIGRANTS

All but one state decided to continue providing TANF and Medicaid benefits for pre-reform immigrants and to provide these benefits to new immigrants after they reside in

¹³INS' current Systematic Alien Verification for Entitlement (SAVE) Program can electronically verify the status of lawful permanent residents 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.

the United States for five years. Fewer states offer assistance comparable to federal TANF and Medicaid to new immigrants during the mandatory five-year federal bar.¹⁴

However, some of these state programs limit benefits to certain categories of immigrants or impose certain requirements, such as residing in the state for 12 months, before applying for benefits.

Optional Federal Benefits Provided to Pre-reform and New Immigrants in Most States

States have the option of continuing federal TANF and Medicaid benefits to pre-reform immigrants and providing these benefits to new immigrants after they reside in the country for five years. All states are continuing federal TANF for both groups.¹⁵ Forty-nine states are continuing federal Medicaid benefits to these immigrants. Wyoming is the only state to discontinue Medicaid to all immigrants. Immigrants no longer eligible for

¹⁴According to information compiled by the National Immigration Law Center, the following 16 states or localities within these states provide state-funded TANF 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 January 1997, six other states provide state-funded prenatal care to immigrants: Alaska, Arizona, Illinois, Oklahoma, Tennessee, and Texas.

¹⁵Although Alabama initially chose not to provide TANF benefits to pre-reform immigrants and to new immigrants following the five-year bar, they will provide these benefits to pre-reform immigrants starting sometime in 1998.

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 Five-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 five-year bar from federal programs.¹⁶ Six of the top ten states where most immigrants reside provide assistance to those no longer eligible for federal TANF and Medicaid. California, Maryland, Massachusetts, and Washington provide both state-funded TANF and medical assistance, while New Jersey 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 limit medical assistance to immigrant children, pregnant women, or to those in residential care prior to a specific date. Maryland, for example, provides medical assistance to pregnant women and children and Virginia provides benefits to children.

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

¹⁷Florida and New York provide state-funded medical assistance to elderly and disabled immigrants who were residents of their states prior to June 30, 1997, and August 4, 1997, respectively. New York also requires that they were in state-licensed nursing homes or residential care facilities.

In the states we visited, we observed a range of these types of benefits available for immigrants. California, where more than 35 percent of nation's immigrants reside, provides both state-funded TANF and medical assistance to new immigrants during their five year bar from federal benefits. New Jersey provides state-funded medical assistance to new immigrants. However, both California and New Jersey have proposed changes to state legislation or regulations to limit the scope of medical assistance benefits to emergency services only. In Washington, new immigrants can obtain state-funded TANF or medical assistance after meeting a 12-month residency requirement and the state imposes federal deeming requirements. Washington officials noted that the residency requirement was included to address concerns about the state attracting immigrants from other states and becoming a welfare "magnet" state for immigrants.¹⁸

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 (Academic Press, Inc., September 1988) and Paul Peterson and Mark Rom, Welfare Magnets: A New Case for a National Standard (Brookings Institution, Washington, D.C., September 1990). Other research, focused specifically on immigrants, which uses 1982 and 1992 data, found that the locations immigrants chose to move to were primarily determined by the presence of earlier immigrants in the area rather than on the welfare benefits available. See Madeline Zavodny, "Welfare and the Locational Choices of New Immigrants", Economic Review (Federal Reserve Bank of Dallas, Second Quarter 1997).

SOME ASSISTANCE AVAILABLE TO IMMIGRANTS NO LONGER ELIGIBLE FOR SSI BENEFITS

Prior to welfare reform, SSI provided a monthly cash benefit to needy individuals who were aged, blind, or disabled, whether they were legal 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 in a category of immigrants excepted from the restrictions. Few states are replacing SSI benefits with new state-funded programs; however, many states have existing cash assistance programs available to those no longer eligible for SSI.

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 who are or become blind or disabled.¹⁹ Those pre-reform immigrants not receiving SSI will no longer be able to qualify for benefits solely on the basis of being elderly.

¹⁹The Congressional Budget Office estimates 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.

Approximately 20,000 pre-reform non-citizens, however, do not meet the law's definition of a "qualified alien"²⁰ and will therefore lose their SSI benefits in September 1998.

According to SSA, the majority of the non-citizens scheduled to lose their benefits were categorized as Permanently Residing Under 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 of these immigrants can obtain aid. General Assistance is one of the largest structured state programs providing assistance to those in need on an on-going basis.²² According to a 1996 Urban Institute report, these programs were available in 41 states or localities within

²⁰The law defines a "qualified alien" as a: legal permanent resident; refugee or asylee; Cuban or Haitian entrant; person whose deportation is being withheld for at least one year; parolee admitted for at least one year; person granted conditional entry; or battered alien or parent of a battered alien child.

²¹PRUCOL status denotes those aliens who have legally resided in the country for an indefinite period of time but are not legal permanent residents. Such status is 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 persons who are 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) in which they operate. Program names, eligibility criteria, and benefits vary by state, and in many cases program elements also vary within states.

those states including the top ten states where most immigrants reside.^{23,24} However, under welfare reform, states have the option to limit the eligibility of immigrants for state-funded public benefits, including General Assistance.

General Assistance benefits are generally lower than federal cash assistance and vary by state in the populations served. In California, where these programs are funded and administered by the counties, benefits range from \$212 to \$345 per month. The benefit amounts are considerably lower than the average monthly SSI benefit of \$532 for immigrants in California. In addition, the groups of individuals who can apply for General Assistance range from all financially needy persons to needy families with children, disabled, elderly, unemployable, or a combination of these groups. In Washington, immigrants not eligible for SSI, who are 18 or older and incapable of gainful employment for at least 90 days, can 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 not eligible 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.

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, The Urban Institute, October 1996. Information for this report was gathered prior to the passage of the welfare reform law.

Based upon 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 and elderly immigrants specifically to replace benefits for which they are no longer entitled under SSI. Colorado offers cash assistance to the 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, their largest federal benefit loss is the termination of food stamps. Some states are replacing the lost federal benefits with state-funded programs; however, most programs target certain categories of immigrants, primarily children, the disabled, and elderly. These programs replace benefits for about one-quarter of those estimated to be no longer eligible for federal food stamps. Fewer states offer such benefits to new immigrants. Besides funding replacement food assistance programs, many states increased the funding

²⁵The National Immigration Law Center provided this information in its January 8, 1998, Update of its chart entitled "States Providing Benefits to Immigrants under 1996 Welfare & Immigration Laws". A footnote to the chart indicates that the information related to SSI-replacement benefits had not been updated 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.

available to emergency food providers, such as food banks.²⁶ However, states and immigrant advocacy groups contacted in our prior study²⁷ 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 1.2 million immigrants receiving food stamps were no longer eligible to receive benefits, according to the United States 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 are immigrant children. USDA determined that most of those who remained eligible did so because they either became citizens or met the exception of being credited with 40 or more work quarters.

²⁶Food banks collect and distribute a variety of food products to various 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, December, 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 experienced a reduction rather than an elimination of benefits. According to USDA, about 62 percent of immigrant households receiving food stamps in 1996 also included U.S. citizens, mostly children, in those households.

Some States Replace Lost Food Stamp Benefits For Immigrants

A total of thirteen states, representing almost 90 percent of immigrants nationwide receiving food stamps in 1996, are replacing food stamp benefits with state-funded benefits to a portion of immigrants no longer eligible. Total state appropriations for these programs is about \$184 million for 1998. Eight states are purchasing federal food stamps, three states are issuing food stamp benefits through the state's Electronic Benefit Transfer (EBT) system, and two states developed their own food voucher or cash assistance programs. Most of these programs' benefit levels and eligibility criteria, with the exception of immigrant status, mirror the federal Food Stamp Program and were implemented immediately following federal benefit terminations, 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.²⁹ Table 2 provides more detailed information on these programs.

²⁹See Welfare Reform: State and Local Responses to Restricting Food Stamp Benefits (GAO/RCED-98-41, December, 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 U. S. Department of Agriculture				
California	Pre-reform children and elderly	September 1, 1997	62,100	\$34.6
Florida	Pre-reform elderly ^b	September 30, 1997	16,100	\$23.0
Nebraska	Pre-reform (all)	August 1, 1997	1,100	\$.6
New Jersey ^c	Pre-reform children, disabled, and elderly	September 1, 1997	5,700	\$15.0
New York	Pre-reform children, disabled, and elderly	September 1, 1997	73,700	\$47.0
Ohio ^c	Pre-reform disabled and elderly	April 1, 1998	3,400	\$1.0
Rhode Island	Pre-reform (all)	September 1, 1997	5,700	\$3.5
Washington	Pre-reform and new (all)	September 1, 1997	14,800	\$28.0
States Issuing State-funded Food Stamps Through Electronic Benefit Transfer (EBT)				
Illinois	Pre-reform children, disabled, and elderly	January 1, 1998	14,800	\$4.7
Maryland	Pre-reform and new children	October 1, 1997	1,800	\$2.0
Massachusetts	Pre-reform and new (all)	October 1, 1997	18,000	\$10.6
Other Food Assistance Programs				
Minnesota	State voucher or cash assistance programs for pre-reform (all) ^b	September 1, 1997	8,100	\$4.7
Texas	Cash assistance for pre-reform disabled and elderly	March 1, 1998	15,100	\$9.6
Totals			240,400	\$184.3

^aStates reported the figures as of various dates around the end of 1997 or beginning of 1998 or as estimates.

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

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

Source: GAO Analysis and U.S. Department of Agriculture

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.³⁰ A provision in the Supplemental Appropriations Act of 1997 (P.L. 105-18) made it possible for states to purchase federal food stamps coupons to provide nutrition assistance to individuals, including immigrants, made ineligible for federal food stamps. According to Washington state officials, allowing states to purchase federal coupons saves the states the expenses associated with 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 categories of immigrants. According to participation rates reported by the states, about one-quarter of immigrants who no longer qualify for federal food stamps are participating in state-funded food assistance programs. Most of these states' programs

³⁰States that opted to purchase food stamps had to submit, for USDA's approval, a state plan describing the conditions and procedures that the food stamps could be issued by the state. USDA also provided states with guidance to operate the program.

are targeting immigrants generally considered most vulnerable, such as children under age 18, the disabled, and the elderly—those age 65 and older. California, with the largest population of immigrants, chose to provide state-funded food stamps to pre-reform immigrants under the age of 18 or age 65 and older—about 62,100 of the estimated 284,100 immigrants whose federal benefits were terminated.

Similar to pre-reform immigrants, new immigrants are also restricted from receiving federal food stamps. Currently, five of the thirteen states with food stamp replacement programs—Florida, Maryland, Massachusetts, Minnesota, and Washington—also allow eligibility to some new immigrants. However, two of these states limit food assistance to those residing in the state as of 1997. At the time of our review, officials in these states were unable to determine specifically how many immigrants receiving state-funded benefits were new immigrants.

Some States Increase Funding for Emergency Food Assistance

While most states do not have programs specifically designed to replace federal food stamps for immigrants, they do provide temporary food assistance through emergency programs and local food banks or pantries. For example, states match a level of federal funds for emergency food providers through The Emergency Food Assistance Programs

(TEFAP).³¹ Many states, in anticipation of 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.³²

In addition to state-funded efforts, one locality in our review was also providing funds to local food banks. In 1997, San Francisco, California, 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 were notified by mail about these new distribution centers and told to present their letter at one of the distribution sites to receive food on a weekly basis. Local officials told us that the food supply would last recipients three to five days.

³¹Established 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.

³²The sources of this information are the National Conference of State Legislatures, State Government Responses to the Food Assistance Gap, July 30, 1997 by the Food Research and Action Center and Second Harvest, and Welfare Reform: State and Local Responses to Restricting Food Stamp Benefits (GAO/RCED-98-41, December, 1997).

According to our 1997 study, some localities are working with local organizations to plan for the expected increase in the need for food assistance.³³ The officials at the organizations fear their resources may be insufficient to meet needs of individuals no longer eligible for food stamps. These organizations do not believe they can replace the long-term assistance that federal food stamps provided. Further, in a study conducted by the United States Conference of Mayors, most surveyed cities reported that requests for emergency food assistance from immigrants increased by an average of 11 percent in the first half of 1997.³⁴

Although concerns exist regarding 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 federal level.³⁵ Moreover, a recent study for the U.S. Commission on Immigration Reform identified that states with large immigrant populations had no comprehensive plans to monitor the impact of welfare reform

³³Welfare Reform: State and Local Responses to Restricting Food Stamp Benefits (GAO/RCED-98-41, December, 1997). The five localities reviewed include: Los Angeles County, California; Denver, Colorado; Hartford, Connecticut; Detroit, Michigan; and Houston, Texas.

³⁴The U.S. Conference of Mayors, Task Force on Welfare Reform Implementation, December 16, 1997.

³⁵HHS, USDA, and INS have commissioned a study to describe the economic and health status of immigrants, their communities and the organizations that serve them in two cities or counties with a high concentration of immigrants. This study will also describe how these groups have adapted to the welfare reform changes.

eligibility changes on the well-being of immigrants.³⁶ In addition, many immigrant advocacy groups we interviewed expressed concern about states' and localities' ability to meet the income, food, and medical needs of immigrants. Some advocacy groups indicated they had studies underway to measure the impact of federal restrictions on those affected.

STATE NATURALIZATION ASSISTANCE AVAILABLE FOR IMMIGRANTS

In addition to the federal and state programs previously discussed, at least twelve states assist immigrants through state-wide naturalization assistance programs, according to information from the National Immigration Law Center.³⁷ Helping immigrants become citizens offers them the ability to retain or gain eligibility for federal benefits and also reduces state spending on benefits for immigrants. Even with state provided assistance, it takes time for immigrants to proceed through the naturalization process and, according to INS, the number of applications continues to increase.

³⁶Study by the Lewin Group, Inc., for the U.S. Commission on Immigration Reform, Impact of the Federal Welfare Reform on Immigrants, July 28, 1997.

³⁷The following twelve states have state-wide 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.

Naturalization assistance ranges from referrals to community services to providing classes in preparation for naturalization and financial assistance with the \$95 application fees. In anticipation of the immigrant restrictions under welfare reform, the New Jersey legislature allocated \$4 million for 1997 and 1998, which was matched by private funds, for their naturalization outreach program. New Jersey's program includes classes in English and civics, legal assistance with applications, and assistance with medical waivers for exemption from citizenship or language testing. Washington, which also began naturalization efforts prior to welfare reform, boosted funding for its program to \$1.6 million for state fiscal years 1998 and 1999. Program services include assisting immigrants with completion of 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 of the localities we visited—Seattle and San Francisco—also established naturalization programs to assist immigrants, especially targeting those affected by the loss of federal benefits.

Though naturalization programs are available at the state and local levels, 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 three years before completing the naturalization process.³⁸

³⁸ Average processing time for naturalization applications during fiscal year 1997 were: over nine months in Seattle; almost a year in Newark; and just under three years in San Francisco, according to INS estimates.

According to INS, the average length of time for processing naturalization applications is over 2 years nationwide. In some of the nation's cities with the largest immigrant populations, the waiting time varies: over a year and a half in New York City, New York; almost three years in Los Angeles, California; and over 5 years in Miami, Florida. In addition, INS reported significant increases in the number of naturalization applications, from 423,000 in 1989 to over 1.2 million in fiscal year 1996. Among the reasons INS officials cited for why they expect the level of applications to remain high was the benefits that immigrants could derive from their status as citizens.³⁹

STATES CONTINUE TO FACE CHALLENGES IMPLEMENTING NEW IMMIGRANT RESTRICTIONS

The eligibility changes for immigrants under welfare reform expanded administrative responsibilities of all states and added financial responsibilities for those states choosing to provide replacement benefits. The changes task all states with revising procedures and automated systems to meet the new requirements for verifying an immigrant's eligibility for welfare benefits. Although there are state concerns about correctly implementing these new requirements, no monitoring efforts are required or planned by federal agencies to determine if states are correctly determining eligibility. In addition to the challenges

³⁹See Alien Applications: Processing Differences Exist Among INS Field Units (GAO/GGD-97-47, May 20, 1997).

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 states and localities to educate welfare workers and immigrant recipients about the eligibility changes and to recertify the eligibility of immigrant recipients. Program officials in the states we visited noted that it was a time-consuming process to complete the recertifications. The more recent and future challenges for states 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 additional work to implement the new verification procedures or develop separate eligibility determination processes to reflect new distinctions among programs. With the new restrictions, more information on alien status is needed to make eligibility determinations. Until the final regulations are issued by INS, states can follow the interim INS verification guidelines. States will have two years after final regulations are issued to

ensure their verification systems are in compliance with the regulations. According to INS, the final regulations will most likely be issued in June 1998. States will face the transitional challenge of modifying their procedures and automated systems to determine citizenship or alien status before making eligibility determinations for various federal programs. According to the American Public Welfare Association, most states' eligibility determinations for TANF, food stamps, and Medicaid are within a single automated system; therefore, states must modify their software to address the differing program eligibility criteria. 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 about making accurate eligibility decisions, generating concerns about providing benefits to those eligible, and denying benefits to those who no longer qualify.

Although there are concerns about correctly implementing welfare restrictions for immigrants, there are no special federal monitoring efforts required or planned to determine if states are correctly determining immigrants' eligibility for federal benefits. At the time of our review, federal officials for Medicaid, SSI, and Food Stamp programs told us that errors in providing benefits to ineligible immigrants could be detected in their existing quality control reviews. Officials at the Department of Health and Human Services (HHS) commented that, under rules for the TANF program, quality control

reviews are not required and the only method they would have to monitor immigrant restrictions, such as the length of time an individual receives TANF benefits, is through its annual single state audit. USDA officials reported that several states did not implement the new food stamp restrictions for immigrants by the required time.⁴⁰ 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 to the best of their knowledge all states had fully implemented the food stamp restrictions for immigrants.

Issues that 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 about implementing these regulations and were uncertain 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 potential difficulties of locating sponsors who may have moved without reporting their change of address to the INS. The new affidavits of support have been in use as of December 19, 1997, for new immigrants and for those whose alien status is

⁴⁰According to USDA, the following 17 states, either state-wide 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.

changing on or after that date, as for example, from temporary resident to legal permanent resident.

Challenges for State-funded Programs

As a result of the welfare reform law, all states faced key decisions on whether or not 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 amount of time—ranging from one to two years in the states we reviewed—and passed during good economic times. In New Jersey, for example, their state-funded food stamp program is funded through June 30, 1998, and legislation is needed to continue the program. In California, officials report that although funding for the state-provided medical assistance, food stamps, and TANF is not an issue at the current time, a degree of uncertainty remains about future funding. They said the continuation of these state-funded programs will depend on the condition of the state's economy and the decisions of the state legislature.

Determining and tracking the fiscal claims for state and federal funds in parallel programs was reported as an implementation challenge in the states we reviewed. Implementing

state-funded food stamp programs, for example, required states to track and report to USDA the separate federal and state food stamp issuances. Some state officials also 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. In Washington, state officials noted that to some extent they are able to calculate separate benefit amounts and funding sources because their new computer system is designed to track this type of information. California officials reported they would have to re-program their automated systems to identify and track costs of benefits provided to immigrants through federal and state programs. Counties manually tracked legal immigrant receiving benefits under certain programs until the programming changes were completed.

OBSERVATIONS

The welfare reform law represents a significant shifting of responsibility for decisions about aiding needy immigrants from the federal government to states. Federal policy now gives states a great deal of latitude in restricting immigrants' eligibility for welfare programs. We observed some variation in the way states' welfare policies are treating both pre-reform and new immigrants. For many immigrants, the extent of assistance

provided will depend on state policies and other assistance available at the local level.

Where states had a choice to continue federal benefits for pre-reform immigrants, almost all states chose this option. Where states had to restrict federal benefits for new immigrants, many chose to provide state-financed benefits for at least some segment 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 report represents an early look at the significant changes in the welfare reform law affecting immigrants, including both those immigrating before and after the passage of the law and those considering future immigration. Although it is too soon to measure the long-term impact on immigrants and immigration, our review found that states are focusing their welfare assistance efforts on those immigrants residing in the United States before welfare reform and have not yet focused much attention on the potential needs of new immigrants. In addition, states' choices for providing additional benefits to immigrants, whether pre-reform or new, were made under positive economic times and these choices could change during less prosperous times. Also, it is uncertain how the new affidavits of support will be enforced by federal, state, and local agencies.

AGENCY COMMENTS

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[draft provided to HHS, USDA, SSA, INS, CA, NJ, and WA]

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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

BENEFITS AVAILABLE TO IMMIGRANTS IN THREE STATES VISITED

This appendix summarizes information on the benefits available for needy immigrants⁴¹ in the locations we visited: San Francisco County, California; Essex County, New Jersey; and Seattle, Washington.

CALIFORNIA

According to the Immigration and Naturalization Service (INS), as of April 1996 California was home to about 3.7 million or 35 percent of immigrants residing in the United States and ranked as the largest immigrant state. San Francisco County has the state's highest per capita rate of immigrants—17.6 per 1,000 county residents, over twice the statewide average. Besides continuing to provide 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 programs available at the state level, 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

⁴¹In this appendix, we generally discuss the rights and responsibilities of immigrants who are legal permanent residents; however, where relevant, we do mention how the law has affected other groups of noncitizens, such as refugees and asylees.

California opted 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 171,946 accounted for almost 8 percent of California's total TANF caseload according to state estimates. At an average grant of \$500 a month, it would cost the state just over \$100,000 a month to provide state-funded TANF for the 212 eligible new immigrant families it estimated would enter the state between August 22, 1996, and December 31, 1997.

Medical Assistance

Similar to TANF, 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. Based on this estimate, by the year 2001, an additional 168,000 immigrants would apply for the state-funded Medi-Cal benefits.

However, the California Department of Health Services initiated legislation to limit the scope of benefits available to new immigrants to emergency services only for which they remain eligible under Medicaid.

General Assistance

California does not fund state-wide assistance specifically to replace SSI benefits; however, counties are required to have General Assistance programs. These benefits may be available for non-disabled pre-reform immigrants who were 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 at a maximum benefit level of \$345 per month, which is lower than the average SSI benefit for immigrants of \$532 per month. According to a study done within San Francisco County, for each elderly and disabled immigrant who is no longer eligible for federal assistance based on immigration status who receives General Assistance or some form of local cash assistance program, the City and County will incur an additional cost of between \$4,140 to \$7,800 per person per year.⁴² 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 following 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

⁴²The 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, May 1997.

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 under the age of 18 and age 65 and over. The program, which is authorized to operate through July 1, 2000, received appropriations of \$34.6 million for fiscal year 1998. Begun in September 1, 1997, the program replaces lost federal food stamps for about 62,100 of the 284,100 pre-reform immigrants who lost their federal benefits according to state estimates. New immigrants are not eligible for state-funded food assistance; however, officials told us that some local food assistance is available.

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 were notified by mail about the new centers and told to present their letters at the distribution centers to receive food which is available to them on a weekly basis. In an effort to increase immigrants' usage of the distribution centers, the County and the local food bank are also planning to provide more culturally appropriate foods.

Naturalization Assistance

California does not have a state-wide naturalization assistance program; however, selected counties and localities within the state provide some type of assistance. Thirty-five of the state's 58 counties provide some form of naturalization assistance.⁴³ San Francisco County formed the Naturalization Project to provide assistance targeted to serve the most vulnerable of the immigrant population—those who were 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 existing 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 was home to approximately 462,000 or over 4 percent of immigrants residing in the United States, making it the fifth largest immigrant state. Along with opting to continue TANF and Medicaid benefits for pre-

⁴³Survey conducted by the Public Policy Institute of California on Citizenship Activity in California counties for 1997 and 1998.

reform immigrants and to provide these benefits to new immigrants after the federal five-year bar, New Jersey devised a new state-funded food stamp program to replace lost federal benefits and a state-wide naturalization assistance program. In addition to these state-level programs, some food assistance is available to immigrants in Essex County through local food pantries and soup kitchens.

TANF Comparable Benefits

New Jersey chose to continue federal TANF benefits for pre-reform immigrants and to provide these benefits to new immigrants following the federal five-year bar. These benefits are provided through the Work First New Jersey program, administered at the county level, into which New Jersey combined its TANF and General Assistance programs in January 1997. The state does not provide state-funded TANF benefits to new immigrants during the federal five-year bar.

Medical Assistance

New Jersey provides Medicaid to pre-reform immigrants and new immigrants following the five-year bar. In addition, state funding is currently provided for Medicaid-comparable assistance to new immigrants during the federal five-year bar. The state, however, plans

to reduce the medical benefits available for new immigrants to emergency services only.⁴⁴

According to New Jersey officials, state legislation is required to change the current state law which requires full-scope 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 PRUCOLs, were receiving state-funded medical assistance.

When state legislation passes, 1,900 of these individuals will have their medical assistance reduced to cover only emergency services.

In addition to Medicaid and state-funded medical assistance, several hospitals are provided state funding to treat indigent individuals, including immigrants, through the state's Charity Care program.

General Assistance

Along with the TANF portion of the Work First New Jersey program discussed above, 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

⁴⁴The state will not discontinue medical assistance to victims of domestic violence.

Assistance. They can receive benefits until they can apply for naturalization, plus an additional six months after they apply, which was the estimated time to complete the process and attain citizenship. State officials were unsure, however, whether the six-month restriction would be enforced, since the average naturalization processing time in New Jersey is currently much longer than the six-month estimate. New immigrants are barred from receiving Work First New Jersey benefits the first five years they reside 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 of which are lower than the average SSI benefit of \$515.25 per month.

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 under the age of 18, aged 65 and over, or who are disabled. This program, which was created through an executive order of the state's governor, provided \$15 million to contract with USDA to purchase federal food stamp benefits for this population through June 1998. At the time of our review, legislation had not yet passed to continue the state-funded food stamp benefits beyond this time.

The program's eligibility criteria and benefit levels mirror the federal program, with the exception of not requiring citizenship. In addition, it 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 the program was providing state-funded benefits to about 5,700 immigrants. Although new immigrants are not eligible for state-funded food assistance, all immigrants are eligible to receive food assistance through local food pantries and soup kitchens throughout the state.

Naturalization Assistance

New Jersey provided funding for a state-wide naturalization assistance program, which is 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 assistance to 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 classes in English language and civics, 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, resided in the state of Washington, making it the tenth largest immigrant state. In anticipation of the federal restrictions under welfare reform, the Governor of Washington proposed programs so that immigrants in need would be treated 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 five-year bar, Washington devised several new state-funded programs to replace lost federal benefits and also provides naturalization assistance. In addition to these state programs, the city of Seattle created its own naturalization assistance program for immigrants and refugees losing federal and state benefits.

TANF Comparable Benefits

Washington chose to continue federal TANF benefits for pre-reform immigrants and to provide these benefits to new immigrants after the five-year bar. In November 1997, the state began providing state-funded TANF assistance for new immigrants during the federal

five-year bar. Immigrants are eligible to apply for these benefits after residing in the state for 12 months. With the exception of not requiring citizenship, the state-funded TANF program applies the same eligibility and deeming rules as the federal TANF program and offers the same level of benefits. As of February 1998, approximately 230 immigrant families were receiving state-funded TANF benefits at a cost to the state of about \$74,000 for the month.

Medical Assistance

Washington provides Medicaid benefits for pre-reform immigrants and new immigrants following the five-year bar. In August 1997, the state began providing state-funded medical assistance for new immigrants during the federal five-year bar, if they met the requirements considered to be categorically needy. Similar to the state-funded TANF 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 the month.

In addition to the state-funded medical assistance described above, additional state or local medical assistance is available for some new immigrants during their five-year bar.

The types of assistance available include: medical care services for incapacitated, aged, blind, or disabled persons determined eligible for General Assistance; emergency medical services; and services for pregnant women and children who are 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 benefit of \$339 per month, which is less than the average SSI benefit of \$512 per month.

Food Assistance

In September 1997, Washington created the Food Assistance Program to provide state-funded food stamp benefits for pre-reform and new immigrants who are no longer eligible for federal food stamps. At the state's initiative, it 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, 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 take into consideration 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 the month.

Naturalization Assistance

Washington's naturalization assistance program, which began prior to welfare reform, initially targeted its assistance at those immigrants who were expected to lose federal benefits. Subsequently the program was expanded to include services for all immigrants. For fiscal years 1998 and 1999, funding for the program totalled approximately \$1.6 million. 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: assistance in completing applications; payment of citizenship application and photograph fees; and training-preparation courses to help them pass citizenship exams.

The city of Seattle also provides a number of 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, disabled, or have low 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.

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APPENDIX II

APPENDIX II

RELATED GAO PRODUCTS

Welfare Reform: States Are Restructuring Programs to Reduce Welfare Dependence (GAO/HEHS-98-109, June XX, 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, February 2, 1995).

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