

Department of Fiscal Services
 Maryland General Assembly

FISCAL NOTE

House Bill 1375 (Delegate Valderrama, *et al.*)
 Appropriations

Welfare Reform - Legal Immigrants

This bill requires the State to provide cash assistance, medical assistance, housing subsidies, food stamp benefits, and other social services to legal immigrants, subject to the limitations of the State budget. To be eligible for cash assistance benefits, a legal immigrant must have lived in Maryland for at least 12 months or have previously lived in a state that provided cash assistance to legal immigrants. As a requirement for receiving benefits, legal immigrants must certify that they will become naturalized U.S. citizens at the earliest possible time allowed by federal law; a legal immigrant who fails to comply must pay a penalty that equals the assistance they have received.

Fiscal Summary

State Effect: General fund expenditures could increase by \$33.9 million in FY 1998. Future year expenditures increase with inflation. Revenues would not be affected.

(in millions)	FY 1998	FY 1999	FY 2000	FY 2001	FY 2002
GF Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditures	33.9	34.6	35.3	36.0	36.7
Net Effect	(\$33.9)	(\$34.6)	(\$35.3)	(\$36.0)	(\$36.7)

Note: () - decrease; GF - general funds; FF - federal funds; SF - special funds

Local Effect: None.

Small Business Effect: The bill would not directly affect small businesses because these services are currently being provided with federal or a combination of federal and State funds.

Fiscal Analysis

State Expenditures: Expenditures could increase by an estimated \$33.9 million in fiscal 1998 to provide legal immigrant services that would be barred from federal fund support under federal welfare reform and are not already included in the proposed fiscal 1998 budget, as shown in **Exhibit 1**. The \$3.4 million estimate for in-home services for individuals with disabilities assumes that 1,000 legal immigrants currently receiving federal Supplemental Security Income (SSI) benefits would lose those benefits under federal welfare reform's new standards. It further assumes that, since the In-Home Aide Services (IHAS) program currently has a waiting list of 2,500, provision of IHAS services to legal immigrants who lose SSI eligibility would increase expenditures.

Exhibit 1
FY 1998 Additional Cost of Providing Benefits to Legal Immigrants

<u>Program</u>	<u>Estimated Caseload</u>	<u>Monthly Benefit</u>	<u>Additional Cost</u>
Food Stamps/Adults	12,500	\$89	\$13.4 million
Housing for SSI Recip.	7,118	\$200	\$17.1 million
In-Home Services	1,000		\$3.4 million
TOTAL			\$33.9 million

Exhibit 2 outlines legal immigrant services funds already included in the proposed fiscal 1998 budget.

Exhibit 2
Cost of Providing Benefits to Legal Immigrants Included in FY 1998 Budget

<u>Program</u>	<u>Estimated Caseload</u>	<u>Monthly Benefit</u>	<u>Proposed FY 1998 Budget</u>
Food Stamps/Children	2,217	\$75	\$2.0 million
Temp. Cash Assistance	2,100	\$116	\$3.0 million
Medicaid	11,202	\$249	\$33.5 million
TOTAL			\$38.5 million

Information Source(s): Department of Health and Mental Hygiene (Medical Care Programs Administration), Department of Human Resources, Department of Fiscal Services

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