



## HOUSE COMMITTEE ON APPROPRIATIONS

# FISCAL NOTE

SENATE BILL NO. 9

PRINTERS NO. 1838

PRIME SPONSOR: Scarnati

### COST / (SAVINGS)

FUND	FY 2011/12	FY 2012/13
General Fund	\$0	\$496,000-\$746,000

**SUMMARY:** Creates the Proof of Citizenship for Receipt of Public Benefits Act requiring identification of lawful presence in the United States as a prerequisite to receipt of public benefits. The effective date is in 120 days.

**ANALYSIS:** This legislation would require a person who applies directly to a government agency for public benefits to provide proof of identification and eligibility. Provisions for acceptable proof or an executed affidavit are included in the legislation as well as for exceptions to the identification requirement. An agency that administers public benefits would be required to verify that each noncitizen applicant who has executed an affidavit regarding proof of eligibility is an alien legally present in the United States using the Department of Homeland Security's Systematic Alien Verification of Entitlement (SAVE) program. This affidavit would be presumed to be proof of lawful presence until verification is made. An agency is prohibited from issuing an access device (PA Access Card or Electronic Benefits Transfer-EBT Card) to a person who is not lawfully present in the U.S. as determined by federal immigration officials. The person commits a felony of the 3<sup>rd</sup> degree if the person is not lawfully present in the U.S. and possesses or uses an access device; each possession or use constitutes a separate offense. A person who knowingly and willfully makes a false or fraudulent statement of representation in an affidavit may be subject to prosecution under Title 18 section 4904 (relating to unsworn falsification to authorities). The legislation includes a nondiscrimination requirement. With regard to the SAVE program, an agency would be required to report errors or delays to the U.S. Department of Homeland Security and to the Attorney General. The Attorney General would be required to monitor the SAVE program/ verification application for errors and delays and report this information on an annual basis to ensure the SAVE program is not wrongfully denying benefits to legal residents. The legislation would also require an agency, upon determining that public money has been expended or public benefits provided to an unauthorized alien, to prepare an invoice listing the cost and transmit the invoice to the Governor's Office of Administration for inclusion in the website known as PennWATCH; access available through the Right-to-Know law. The provisions of the legislation would apply to applications/ renewals for public benefits filed directly with an agency after the effective date and would not apply to applications/ renewals if compliance with the provisions would lead to loss of Federal funding or be in conflict with any Federal law.

**FISCAL IMPACT:** Under the federal Deficit Reduction Act, the Department of Public Welfare is required to obtain satisfactory documentation of citizenship; the department uses the SAVE program to verify immigration status for all immigrants applying for cash, medical assistance or food stamp benefits. The only program offered by the department for individuals who do not possess legal residency/immigration status is medical assistance coverage for emergency services only (which is required by federal law). With regard to the provisions in Senate Bill 9, DPW is accomplishing the requirements using its online COMPASS system (including the affidavit requirement).

With DPW as the example, it is anticipated that there would not be significant costs incurred to implement the legislation. It is assumed that a central policy entity for example, the Office of General Counsel, could develop the affidavit and make it available to all Commonwealth agencies or the Administration could utilize the affidavit used by DPW. It is estimated that aggregate costs for all Commonwealth agencies to implement the identification/affidavit requirements would be between \$250,000 to \$500,000 which assumes agencies would incur some costs to modify their existing application process for grants and public benefits and train personnel. Agencies would also be required to verify (via the SAVE program) the affidavit of a non-citizen applicant. It is estimated that aggregate costs for SAVE program verification would be approximately \$246,000 which assumes 517,000 (or 4.1% of the 2009 PA population estimate of 12,604,767) foreign-born non-citizens over 18 years legally residing and 140,000 foreign-born persons illegally residing in the state with 50% (approximately 328,000) applying for public benefits requiring SAVE verification and 25% (approximately 82,000) requiring a follow-up SAVE verification at a cost of \$0.50 per SAVE inquiry.

Therefore, the total estimate for implementation of the provisions of Senate Bill 9 is a range of \$496,000 to \$746,000 assuming full implementation in fiscal year 2012-13. It should be noted that, although difficult to quantify, there is the potential to realize state savings if there is detection/ deterrence of illegal residents receiving public benefits as a result of this legislation.

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**DATE:** June 21, 2012

*Estimates are calculated using the best information available. Actual costs and revenue impact incurred may vary from estimates.*