

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

HB 1379 – SB 1325

March 31, 2011

**SUMMARY OF AMENDMENT (005285):** Deletes the original bill. Requires the verification of citizenship or lawful presence for applicants of public benefits who are 18 years of age and older, except when exempted by federal law. Requires agencies to check the immigration status, using the systematic alien verification for entitlements (SAVE) program, of an applicant claiming in an affidavit to be a qualified alien. Requires agencies to maintain all documentation for three years. Applicants who knowingly make fraudulent claims in the affidavit are liable under the False Claims Act. Requires agencies to include in any existing annual reports to the General Assembly, a report of compliance.

FISCAL IMPACT OF ORIGINAL BILL:

Increase State Expenditures –

\$425,100/One-Time/General Fund  
\$3,600/One-Time/Environmental Protection Fund  
\$5,769,600/Recurring/General Fund  
\$57,100/Recurring/Environmental Protection Fund

Other Fiscal Impact – There will be a decrease in state expenditures resulting from unauthorized aliens no longer receiving certain benefits. A portion of the decrease in state expenditures on unauthorized aliens will be offset by an increase in state expenditures on citizens and qualified aliens. Based on available information, the precise amount of the decrease in state expenditures on unauthorized aliens and the increase in expenditures on citizens and qualified aliens cannot be reasonably determined.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

Increase State Expenditures –

\$41,900/One-Time/General Fund  
\$3,600/One-Time/Environmental Protection Fund  
\$978,100/Recurring/General Fund  
\$57,100/Recurring/Environmental Protection Fund

Other Fiscal Impact – There will be a decrease in state expenditures resulting from unauthorized aliens no longer receiving certain benefits. A portion of the decrease in state expenditures on unauthorized aliens will be offset by an increase in state expenditures on citizens and qualified aliens. Based on

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**available information, the precise amount of the decrease in state expenditures on unauthorized aliens and the increase in expenditures on citizens and qualified aliens cannot be reasonably determined.**

Assumptions applied to amendment:

- In order for a person to violate the False Claims Act by filing a fraudulent affidavit, the individual would be an unauthorized alien claiming to have qualified presence. Revenue from civil penalties assessed on this group will be not significant.
- According to the U.S. Department of Homeland Security, access to the SAVE program requires a minimum \$25 per month service charge and \$0.50 per electronic verification.
- According to the Department of Intellectual and Developmental Disabilities, federal law requires citizenship to receive the benefits administered by the Department. The additional requirements for verification can be handled within existing resources. Access to SAVE will increase expenditures to the Department, reducing available funds by \$300 per year. Verification of 500 applicants submitting affidavits claiming qualified alien residence would increase state expenditures by \$250 (500 x \$0.50). Total recurring state expenditures will be \$550 per year.
- According to the Department of Mental Health (DMH), there are approximately 1,700 facilities statewide that provide some form of assistance. Regional Mental Health Institutes (RMHI) will provide emergency medical services to individuals prior to verification of eligibility. Any decrease in state expenditures from no longer treating an unauthorized alien after the 72-hour emergency period will be not significant. Access to SAVE and verification of qualified aliens will cause a recurring increase in state expenditures to DMH by \$4,000 per year.
- The Department of Environment and Conservation (TDEC) will require an additional Administrative Assistant position to verify status of license applicants. A recurring increase in state expenditures from the Environmental Protection Fund (EPF) of \$56,631 (\$32,250 salary + \$12,981 benefits + \$11,400 operational). One-time state expenditures from the EPF related to the position will be \$3,600. TDEC estimates 360 qualified aliens will require a verification using SAVE resulting in a recurring increase in state expenditures of \$480 from the EPF per year [\$300 + (360 x \$0.50)]
- The Department of Human Services (DHS) contracts with local governments to operate the Low Income Home Energy Assistance Program, the Weatherization Program, the Community Services Block Grant Program, and Social Services Block Grant Homemaker Program. According to DHS, the Department has a total caseload of 425,900 each year. Access to SAVE for 23 contractors for one year and verification of qualified aliens will cause a recurring increase in state expenditures of \$40,000. An increase in expenditures averaging \$4,520 at 95 offices statewide for a recurring increase in state expenditures of \$429,400 (\$4,520 x 95). Any funds which have been utilized for providing services to unauthorized aliens will be used for assistance of individuals who have been wait-listed.
- According to the Department of Labor and Workforce Development, the Department already routinely performs verifications through the SAVE program. No decrease in state expenditures associated with unauthorized aliens no longer receiving benefits. One

additional Clerk 3 position and one additional Data Entry Operator position will be required to record approximately 500,000 applicants each year. The recurring increase in state expenditures for these positions will be \$85,363 (\$44,206 salaries + \$21,157 benefits + \$20,000 operational). One-time costs associated with these positions will be \$6,000.

- The Department of Health (DOH) will require five additional Public Health Office Assistants throughout the state to verify identification and verify status in SAVE and one Administrative Assistant position in the central office. The total increase in recurring state expenditures will be \$298,295 (\$166,890 salary + \$71,205 benefits + \$60,200 operational). One-time costs associated with these positions will be \$26,400.
- The number of verifications using the SAVE program required by DOH to check the status of individuals claiming to be qualified aliens will cause a recurring increase in state expenditures exceeding \$75,000 per year.
- DOH will continue certain treatments including vaccinations and treatment of communicable diseases that pose a threat to the general population of the state regardless of alien status pursuant to 8 U.S.C. § 1621.
- According to the Department of Commerce and Insurance, approximately 53,000 applicants for licenses will have to be verified. One additional licensing technician position will be required resulting in a recurring increase in state expenditures of \$44,672 (\$27,888 salary + \$11,884 benefits + \$4,900 operational). One-time costs associated with this position will be \$9,500. A recurring increase in state expenditures of \$850 [ $\$300 + (1,100 \times \$0.50)$ ] to verify eligibility of 1,100 qualified aliens using SAVE.
- Total one-time expenditures from the General Fund will be \$41,900 (\$26,400 + \$6,000 + \$9,500).
- The total recurring increase in state expenditures to the General Fund will be \$978,130 ( $\$850 + \$44,672 + \$75,000 + \$298,295 + \$85,363 + \$429,400 + \$40,000 + \$4,000 + \$550$ ).

## **CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.



James W. White, Executive Director

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