

**TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE**



**FISCAL NOTE**

**HB 1379 - SB 1325**

March 15, 2011

**SUMMARY OF 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 certain forms of identification for citizens to receive benefits; requires agencies to verify the status of citizens with the agency issuing the identification. 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 the Comptroller of the Treasury to provide guidance and conduct reviews of state and local agency use of the SAVE system.

**ESTIMATED FISCAL IMPACT:**

**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.**

Assumptions:

- 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 Bureau of TennCare, benefits eligibility verification must comply with federal law; therefore, there will be no impact on the Bureau of TennCare.

- 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 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. According to the Department, there were 13,770 admissions including 8,249 unduplicated individual adults admitted to five Regional Mental Health Institutes (RMHI) in 2010. One additional staff person would be required at each of the five facilities to verify the eligibility of patients. Therefore, a recurring increase in state expenditures of \$250,670 (\$164,550 salary + \$65,084 benefits + \$21,036 operational).
- RMHIs 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 increase recurring expenditures to DMH by \$4,000 per year.
- According to the Department of Human Services (DHS), all federal programs administered by the Department have citizenship requirements. The level of verification of citizenship is determined by the federal government as a condition of receiving federal funding for most programs; there will be no impact on those programs.
- According to DHS, the Food Stamp program, Child and Adult Care Food Program, and the Summer Food Service Program will be exempted from the requirements of this bill.
- 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. Personnel costs along with costs to access SAVE and verify applicants will increase state expenditures by \$469,400 per year. Any funds which have been utilized for providing services to unauthorized aliens will be used for assistance of individuals who have been wait-listed for benefits.
- The Department of Health (DOH) will require an additional Public Health Office Assistant position in each of the 89 rural county offices to verify identification and verify status in SAVE and one Administrative Assistant position in the central office (90 total positions). The total increase in recurring state expenditures will be \$4,103,279 (\$2,417,754 salary + \$1,171,025 benefits + \$514,500 operational). One-time costs associated with these positions will be \$395,719.
- The number of verifications using the SAVE program required by DOH to check the status of individuals claiming to be qualified aliens will exceed \$75,000 per year.
- DOH also contracts for services with six metro health offices. There will be 6 additional positions to provide verification and determination of qualified individuals which is estimated to increase recurring state expenditures by \$333,500.
- The total recurring increase in expenditures for DOH will be \$4,511,779 (\$4,103,279 + \$75,000 + \$333,500).

- 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.
- The Department of Environment and Conservation (TDEC) will require an additional Administrative Assistant position to verify status of license applicants. An increase in recurring 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 [ $\$300 + (360 \times \$0.50)$ ]
- 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 verify authorized forms of identification with issuing agencies and 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.
- According to the Department of Commerce and Insurance, approximately 53,000 applicants for licenses will have to be verified. Five additional licensing technician positions will be required resulting in a recurring increase in state expenditures of \$220,533 (\$139,500 salaries + \$59,433 benefits + \$21,600 operational). One-time costs associated with these positions will be \$23,400. A recurring increase in state expenditures of \$1,625 [ $\$300 + (2,650 \times \$0.50)$ ] to verify eligibility of 2,650 qualified aliens using SAVE.
- The Comptroller of the Treasury will require three additional auditor positions to verify participation in the SAVE program. A recurring increase in state expenditures of \$225,710 (\$170,474 salary + \$55,236 benefits).
- Total one-time expenditures from the General Fund will be \$425,119 (\$395,719 + \$6,000 + \$23,400).
- The total recurring increase in state expenditures to the General Fund will be \$5,769,630 ( $\$550 + \$250,670 + \$4,000 + \$469,400 + \$4,511,779 + \$85,363 + \$220,533 + \$1,625 + \$225,710$ )

## **CERTIFICATION:**

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



James W. White, Executive Director

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