

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

SB 1325 - HB 1326

March 15, 2013

SUMMARY OF BILL: Defines “refugee resettlement agency” as any agency or organization that receives federal funding for refugee reception and placement resettlement services or other federal grants intended to support refugee resettlement activities. Requires the Tennessee Office for Refugees to collect certain information from refugee resettlement agencies on a quarterly basis. Requires the Office for Refugees to compile a report of the information collected and submit it to affected local government representatives, the Senate State and Local Government Committee, the State Government and Local Government Committees of the House of Representatives and the Commissioner of the Department of Finance and Administration.

On or after January 1, 2014, the Commissioner of Finance and Administration shall assess the costs associated with resettling refugees to the state and any of its political subdivisions. Requires the Commissioner to issue an invoice for the amount calculated to the Office of Refugees. The amount calculated cannot exceed the amount of funds the agency receives from the federal government for refugee reception, placement resettlement services, or other refugee resettlement activities and will be due within one month of the date on the invoice. The Department shall annually allocate the funds collected that are Medicaid funds to the Department of Intellectual and Developmental Disabilities and all other funds to the various affected state agencies and political subdivisions as reimbursement for expenses associated with refugee resettlement in the state.

Creates the Reimbursement for Refugee Resettlement Fund to hold all collections until reimbursement is made. Fund collections will not revert to the general fund.

ESTIMATED FISCAL IMPACT:

Other Fiscal Impact – The exact fiscal impact of the proposed legislation cannot be reasonably quantified. Any funds collected from refugee resettlement agencies will not exceed the amount of federal grant funds that the agencies retained to assist resettled refugees and will remain in the Refugee Resettlement Fund until allocated by the Department of Finance and Administration to state and local agencies. Allocations from the fund will reimburse state and local departments for funds already expended and will be subject to normal budgeting practices. Any Medicaid funds collected will be allocated to the Department of Intellectual and Developmental Disabilities to for assistance to eligible individuals.

Assumptions:

- The Office of Refugees is administered by the not-for-profit Catholic Charities of Tennessee. According to the press release “Increase to the Refugee Reception and Placement Per Capita Grant”, dated January 25, 2010, released by U.S. Department of State, per capita grants were increased to \$1,800. Of the \$1,800, at least \$1,100 must be used for direct support of refugees and up to \$700 may be used by the agencies for costs related to program management. The refugee agencies in the state can keep up to \$700 per resettled refugee of federal grant funds.
- The Office of Refugees will collect the necessary data and report the required information to the state and local representatives on a quarterly basis.
- Annually, the Department of Finance and Administration will determine the amount of state and local resources that are being used by resettled refugees and invoice the Office of Refugees for reimbursement of state and local resources that have been expended to assist resettled refugees. The amount of reimbursement is limited to the amount the refugee resettlement agencies retain from the possible \$700 portion of the federal grant received per resettled refugee. Any cost incurred by the Department to receive the report and issue an invoice annually will not be significant and can be accommodated within existing resources.
- Currently, state and local agencies do not track the number of resettled refugees in the state or the type of resources and programs from which the refugees are receiving assistance.
- Based on statistics obtained from the federal Office of Refugee Resettlement and Bureau of Population, Refugees, and Migration, between 2000 and 2011, the annual number of refugee resettlements in Tennessee ranged from 180 to 1,600. These numbers refer to the primary refugee that is resettled and does not specifically include any additional family members or children that may accompany the resettled refugee.
- Some local education agencies (LEAs) collect information on the number of refugee students in their districts and whether or not these children are enrolled in English language learners (ELL) programs. According to the Department of Education, the state data system and all school districts will need to add “refugee” as a student category to determine if these students are using ELL services. Current state staff and district contractors can make these changes at no cost.
- According to the Department of Human Services, there is not a determination that an individual is a refugee during the application process. Therefore, there is no way to differentiate between enrollees in government assistance programs in which an individual applies through the Department. This includes TennCare, Food Stamp benefits, and Temporary Assistance for Needy Families (TANF).
- Refugees generally enter the United States without income or assets with which to support themselves during their first few months here. Families with children under the age of 18 are generally eligible for support from the TANF program. Refugees who are aged, blind, or disabled may receive assistance from the federally-administered Supplemental Security Income (SSI) program. Refugees eligible for these two programs may be enrolled in the Medicaid program which provides medical assistance to low-

income individuals and families. States are not reimbursed by the federal government for the state's share of funds for refugees on these programs.

- It is difficult to quantify an exact cost impact of the proposed legislation due to a number of unknown factors which include, but are not limited to:
 - the variation in resettled refugee primary applicant data and the family members who may be resettled with the primary applicant;
 - the amount of time that resettled refugees may take to become citizens (if that is the path that the refugee and his or her family decide to take) varies by family;
 - the variation in the state and local resources and programs from which a refugee receive assistance;
 - the amount of federal grant funding that the refugee resettlement agencies decide to obtain; and
 - the separation of funds between state resources and local resources.
- The proposed legislation will not result in decreased budgeted expenditures. Rather, any increased revenue collected from the refugee resettlement agencies will be used to reimburse the state and local agencies that expended funds to provide assistance to refugees in the previous year. It is assumed that any funds allocated from the Refugee Resettlement Fund will be used by state and local departments and agencies to provide more services.
- The proposed legislation requires any Medicaid (TennCare) funds collected to be allocated to the Department of Intellectual and Developmental Disabilities. The amount of Medicaid funds collected cannot be reasonably quantified. It is assumed that any funds collected will be used to provide additional assistance to individuals; however, the exact number of individuals who will receive services and the level of services that will be provided are unknown.

CERTIFICATION:

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



Lucian D. Geise, Executive Director

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