



Legislative Fiscal Bureau

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Joint Committee on Finance

Paper #443

FoodShare Benefits for Qualified Aliens (DHS -- Medical Assistance and FoodShare -- Administration)

[LFB 2009-11 Budget Summary: Page 371, #5]

CURRENT LAW

Wisconsin FoodShare is the state's supplemental nutrition assistance program (SNAP), which was formerly known as the food stamp program. Eligible individuals receive federally funded benefits that may be used to purchase food through participating grocery stores. The benefits provided through this program are intended to supplement the recipient's food purchasing power. Although the benefits are federally funded, the state administers the program, and counties and tribes perform certain enrollment and caseload management functions.

In 1996, the federal Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA) implemented a number of changes in federal public assistance programs, including the food stamp program. One of these changes imposed eligibility requirements for certain legal immigrants, referred to as "qualified aliens." As a result of this change and subsequent legislation, qualified aliens who do not meet certain criteria are ineligible for federal benefits under the program.

In 1998, Wisconsin implemented the state option FoodShare program (SOFSP) that provides GPR-funded benefits to legal immigrants who do not qualify for federal food stamp benefits due to provisions of PRWORA. Undocumented immigrants are not eligible to receive federal SNAP or state-option FoodShare benefits.

GOVERNOR

Repeal the statutory requirement that DHS provide state-funded FoodShare benefits for qualified aliens. Reduce funding by \$500,000 GPR annually to reflect that DHS would no

longer provide state-funded FoodShare benefits, beginning in 2009-10.

DISCUSSION POINTS

1. Undocumented immigrants are not eligible for federal SNAP or state option FoodShare benefits. The bill would not affect this population's eligibility for FoodShare benefits. The provisions of the bill would only affect legal immigrants who receive a state option FoodShare benefit, and who are ineligible for federal SNAP benefits due to federal legislation.

2. Before the enactment of PRWORA, most legal immigrants who met certain financial requirements were eligible to receive federal food stamp benefits. In 1996, PRWORA restricted legal immigrant eligibility for several federal programs, including the food stamp program. The legislation made "qualified aliens" ineligible for the food stamp program, unless certain criteria were met.

3. PRWORA defined qualified aliens as individuals who are lawfully admitted for permanent residence, certain refugees or individuals granted asylum, certain individuals paroled for at least one year or granted conditional entry, or individuals whose deportation is being withheld. Qualified aliens were not eligible to receive federal food stamp benefits unless they fell in one of the following categories: (a) certain refugees, aliens granted asylum, and immigrants whose deportation is withheld; (b) permanent residents who had worked for a total of 40 qualifying quarters; or (c) legal immigrant members of the armed services on active duty, veterans with honorable discharges unrelated to immigrant status, and their spouses. The federal legislation did not prohibit states from providing benefits to individuals who were made ineligible for federal food stamp benefits.

4. Subsequent federal legislation restored eligibility for federal food stamp benefits for the following individuals: (a) disabled qualified aliens; (b) qualified aliens who are under the age of 18; and (c) any qualified alien who has lived in the United States for more than five years. These individuals are eligible for federal SNAP benefits, if financial criteria are met.

5. 1997 Wisconsin Act 236 established the Wisconsin state option food stamp program (SOFSP) that provides state-funded food stamp benefits to qualified aliens who lost federal eligibility under PRWORA. These benefits are not available to groups whose eligibility for federal food stamp benefits was restored by subsequent federal legislation.

6. In January 2009, 863 individuals received SOFSP benefits. The average monthly number of SOFSP recipients has increased over the past several years, as has the total number of FoodShare recipients. Table 1 shows the monthly average of qualified aliens who received state FoodShare benefits from federal fiscal year 2002-03 to 2007-08 and overall FoodShare enrollment from calendar year 2004 to 2009.

TABLE 1

SOFSP and FoodShare Recipients -- Average Monthly Caseload

SOFSP Recipients		Total FoodShare Recipients	
<u>Federal Fiscal Year</u>	<u>Monthly Average</u>	<u>Calendar Year</u>	<u>Monthly Average</u>
2003-04	424	2004	329,033
2004-05	465	2005	352,725
2005-06	500	2006	372,308
2006-07	541	2007	388,399
2007-08	645	2008	444,558
2008-09 (through Jan.)	825	2009 (through March)	522,216
Change during period			
Number	401		193,183
Percent	94.6%		58.7%

7. The largest percentage of SOFSP recipients live in Milwaukee, Dane, Rock, Brown, and Racine Counties. Each of these counties has a greater share of SOFSP recipients than that county's respective share of general FoodShare program recipients. Table 2 shows the 10 counties with the largest percentage of the state SOFSP participants, and that county's percentage of general FoodShare recipients.

TABLE 2

Counties with Largest Share of SOFSP Recipients

<u>County</u>	<u>Percentage of Total</u>	
	<u>SOFSP Recipients</u>	<u>FoodShare Recipients</u>
Milwaukee	37.4%	32.4%
Dane	9.9	5.9
Brown	5.1	3.8
Rock	5.1	3.8
Racine	4.5	4.4
Outagamie	4.1	1.8
Kenosha	3.8	3.9
La Crosse	3.0	1.8
Walworth	3.0	1.5
Marathon	2.6	1.9

8. In January, 2009, the average monthly SOFSP benefit per recipient equaled \$82, which compares with \$97 for all FoodShare recipients. In addition, the average household income for families that included SOFSP recipients equaled \$1,620 per month. Since the average household size for these families is four, it is estimated that, on average, families with individuals participating in the SOFSP have monthly income equal to approximately 88% of the 2009 federal poverty level (\$1,838 per month for a four-member family).

9. Wisconsin, California, and Nebraska provide state funded benefits to qualified aliens through the federal SNAP payment system. In March, 2008, the Food and Nutrition Service (FNS) of the U.S. Department of Agriculture reported that California provided 21,300 qualified aliens with an estimated \$1,953,500 in state option benefits per month, and Nebraska provided 260 qualified aliens with an estimated \$28,500 in state option benefits per month. Four other states provide state-funded benefits to qualified aliens administered separately from the federal SNAP program, but FNS does not track participation in these programs.

10. Table 3 shows the total cost of providing FoodShare benefits to qualified aliens in federal fiscal years 2003-04 through 2007-08.

TABLE 3

Annual SOFSP Expenditure, by Federal Fiscal Year

<u>Federal Fiscal Year</u>	<u>Amount</u>
2003-04	\$320,300
2004-05	367,400
2005-06	395,700
2006-07	418,800
2007-08	527,800

Based on this information, the administration estimated that the cost savings of repealing the program would be approximately \$500,000 annually. However, in 2007-08, monthly payments to all SOFSP recipients averaged \$43,981 (\$527,800 for the year), and averaged \$59,300 over the first four months of 2008-09. If the expenditure experience for the first four months holds for the entire year, the 2008-09 expenditure would equal approximately \$711,600. Due to the entitlement nature of this program, if the Committee modifies the bill by deleting the Governor's provision to repeal the program and restores the amount of funding the Governor's bill would delete (\$500,000 GPR annually), based on current estimates, DHS may need to reallocate funding budgeted for income maintenance and related activities (county income maintenance functions and state funding budgeted for employment and training of FoodShare recipients) to fully fund FoodShare payments to qualified aliens in the 2009-11 biennium (Alternative 2).

11. Alternatively, the Committee could delete the Governor's recommendation to repeal the program, and increase funding by \$711,600 GPR annually to fully fund current estimates of

program costs (Alternative 3). Under this alternative, it is less likely that DHS would need to reallocate funding within the income maintenance appropriation to fully fund SOFSP benefits, based on current estimated of these benefits costs.

12. Finally, the Committee may wish to adopt the Governor's recommendations to repeal the program for the following reasons. First, the FoodShare program has historically been a federal benefit program, and is governed by federal rules relating to program eligibility and benefit levels. It can be argued that, since the state has little flexibility with respect to financial eligibility and program payment levels and must administer the program as an entitlement program, it has no way to control benefits costs, and therefore, should not be supported with GPR funds.

Second, this program serves a relatively small percentage of the total FoodShare population. As Table 1 indicates, the average monthly number of SOFSP recipients in 2009-09 (825) represents approximately 0.16 % of the total average monthly FoodShare caseload to date (522,216).

Finally, by repealing the program, DHS would not be required to reallocate funding for county income maintenance functions if the amounts budgeted for SOFSP are insufficient to fully fund program benefits in the future.

ALTERNATIVES

1. Approve the Governor's recommendation.
2. Delete provision. Provide \$500,000 GPR annually to fund SOFSP benefits in the 2009-11 biennium.

ALT 2	Change to Bill Funding
GPR	\$1,000,000

3. Delete provision. In addition, provide \$711,600 GPR annually to reflect current estimates of the funding that would be needed to support program benefits in the 2009-11 biennium.

ALT	Change to Bill Funding
GPR	\$1,423,200

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