



## **Senate Bill 567 – A (Proposed) Law of Unintended Consequences**

April 18, 2006

The Wisconsin Assembly may soon debate a bill designed to prevent non-citizens who do not have proper immigration status from participating in a broad range of public benefit programs. The bill, SB 567, would be a classic example of the “law of unintended consequences.” Instead of excluding non-citizens, who do not appear to be illegally utilizing public benefit programs, the proposed law would create costly red tap and insurmountable barriers for thousands of eligible families and individuals who cannot produce documentation of their citizenship.

**What the bill does** – SB 567 would impose new citizenship verification requirements for the major public assistance programs in Wisconsin. The bill (which has been approved by the Wisconsin Senate and may be considered by the Assembly in late April or early May 2006) would require anyone applying for a public assistance program that is administered by the Department of Health and Family Services (DHFS) or the Dept. of Workforce Development (DWD) to provide documentary proof of citizenship or satisfactory immigration status.

Some of the programs that the bill would apply to include: Medical Assistance, BadgerCare, SeniorCare, Food Share (aka food stamps), state SSI supplements, Wisconsin Works, child support establishment and enforcement, establishing paternity, and relief block grants used by counties to provide health care services.

**How does this change current law?** – Currently, people applying for the major public assistance programs (including Medicaid, BadgerCare, Food Share and Wisconsin Works) must provide a declaration of citizenship or satisfactory immigration status, and they may be required to provide additional certification as deemed necessary. The proposed law would require documentation in all cases, with the caseworker required to verify that he or she has received documentary proof. A new federal law will begin requiring documentation of citizenship, as of July 1, 2006, for Medicaid, BadgerCare and SeniorCare.

**Why are some people concerned about this?** – There are a number of concerns; the following is a partial list:

- 1) **Many eligible people will be excluded.** – Although the aim of this sort of legislation is to deny public benefits for non-citizens, the actual impact will be: a) a far greater workload for caseworkers, and b) the exclusion of citizens who are eligible, but who cannot easily document their citizenship. A survey conducted early in 2006 for the Center on Budget Priorities found that about 10 percent of low-income adults do not have passports and cannot access their birth certificate. The requirement is likely to particularly be a problem for the frail elderly, people who are mentally ill, and those with other disabilities. The BadgerCare employer verification requirement vividly illustrated how a new paperwork requirement that sounds relatively innocuous can have huge unintended consequences. After that change was implemented in 2004, BadgerCare enrollment plunged by 22 percent; yet a review of cases by DHFS found that the decline was due just to the new hurdles, rather than an increase in the number of people found to be ineligible.

- 2) **This is a very costly, unfunded mandate.** – The proposed law will impose millions of dollars of administrative costs on counties and the state. It is alarming that a fiscal estimate has not been prepared. It's even more alarming that the Legislature would consider imposing such a significant, unfunded mandate, even as it is considering a constitutional cap on local and state revenue.
- 3) **There is no evidence of illegal participation in these programs by non-citizens.** – There has been no evidence offered to suggest that people who are non-citizens are illegally utilizing public benefit programs. To the contrary, a state audit of eligibility determinations for the Medical Assistance program found no cases of fraud by participants. Similarly, a report by the DHHS Office of Inspector General found no substantial evidence that immigrants are obtaining Medicaid by falsely claiming citizenship.
- 4) **This requirement would add further confusion to that created by the new federal law.** – The citizenship documentation requirement under federal law is almost certain to create a great deal of confusion, after it begins on July 1, 2006. As of mid-April, federal officials had yet to issue any guidance to states on what form of documentation will be required, and they have yet to begin the public education campaign that is required by the law. Vital records offices across the country are likely to be swamped by people trying to get copies of birth certificates. Passage of SB 567 will add to the confusion by greatly expanding the number of people affected and substantially increasing the workload for caseworkers. In addition, it is unclear whether the state law would be consistent with the federal law, especially since the federal guidance has yet to be issued.
- 5) **This requirement may weaken our public health care system.** – At a time when a deadly pandemic is a very real possibility, all of us want to be confident that our state has a strong public health system. We want to feel confident that the children that the other children in our child's classroom have had timely vaccinations and have access to health care if they get sick. SB 567 could potentially weaken the health safety net by increasing the number of people who cannot negotiate the additional red tape, and it might weaken the ability of Wisconsin residents to access public health clinics.

#### **Recommendations:**

It is inappropriate to rush through legislation such as SB 567 without a careful analysis of the costs and benefits. Such an analysis has not occurred. At a minimum, before the state imposes any additional documentation requirements, policymakers should:

- 1) Examine the effect of the new federal requirements, after that law takes effect in July 2006.
- 2) Determine how the proposed legislation would interface with federal law.
- 3) Review a fiscal note regarding the state and local costs.

Balance those fiscal costs and other impacts of the bill against an estimate of the cost savings or other benefits.