

Immigrant Families

Welfare Reform Restricts Programs That Support Working Families

Introduction

A central paradox of the 1996 welfare law is that although its goal was to provide incentives and support to help people move into the workforce, it has had the opposite effect on working immigrant families by severely restricting their eligibility for programs that could support their upward mobility.¹ The immigrant provisions of the 1996 law singled out even long-time resident, tax-paying immigrants for restrictions on health care, food stamps, and other core programs that support low-wage working families.

Immigrants constitute an increasing share of the low-wage workforce, especially in key sectors such as services, manufacturing, and agriculture. The ability of Congress and the states to use the upcoming welfare law reauthorization debate to design effective support systems for the working poor will depend in no small part on their success in reframing government programs to serve rather than exclude immigrant families.

Statistical Portrait

Most immigrants work,² but they are more likely than other Americans to hold jobs that provide low wages and few benefits. Among adults in families below 200 percent of the federal poverty level, only 26 percent of noncitizens have job-based health insurance, versus 42 percent of U.S.-born adults.³ Almost 20 percent of all low-wage workers who live in low-income families with children are noncitizens.⁴

Despite low wages and lack of job-based benefits, low-income immigrants participate in public benefit programs at much lower rates than citizens. According to the Urban Institute, in 1997 the benefit program participation rate of immigrant families with children was half that of poor citizen families with children.⁵

Almost 80 percent of the children in immigrant families are U.S. citizens, and they have been particularly

hard hit by welfare reform. Although children's own eligibility did not change, the restrictions on their parents' eligibility have had a devastating impact on children's participation in key government programs. The disparity between the use of services by citizen children with immigrant parents and citizen children with citizen parents has created a two-tiered support system. In families with incomes below 200 percent of the federal poverty level, 33 percent of citizen children with immigrant parents lack health insurance, compared to 19 percent of children with citizen parents.⁶ In 1998, only 38 percent of eligible children with immigrant parents participated in the food stamp program, compared to a 69 percent participation rate for all eligible children.⁷

A particularly troubling consequence of the welfare law's restrictions on immigrants has been to deprive states and localities of federal resources to help newcomers adjust. Immigrant labor is critical to the growth of state and local economies, but the full cost of providing programs to support these low-wage workers – a burden the federal government has traditionally shared – has shifted to states and localities. This shift is especially unfair since most taxes paid by immigrants go to the federal government,⁸ whereas the largest expenses due to immigration (education and infrastructure costs) are borne locally. Because many states do not have programs to replace the lost federal funding, national surveys show that children in immigrant families are facing greater hardships than other children in obtaining adequate health care, nutrition, and housing.⁹

State Strategies & Innovations

As immigrant policy organizations have addressed the troubling effects of welfare reform on immigrant families over the last five years, several trends have emerged:

- The impact of welfare reform on immigrants and their families has been harsher than anticipated. The

policymakers who enacted the 1996 welfare law knew that many immigrants would lose eligibility for the affected government programs. However, few anticipated the ripple effect of the restrictions, which have also resulted in severe declines in participation by immigrants and citizen children who remain eligible.

This effect is visible in all programs that were restricted in 1996, but is most strikingly demonstrated by enrollment declines among citizen children in immigrant families. In the food stamp program, for example, 1,342,000 citizen children in immigrant families received nutritional support in 1994. By 1998, more than 1 million of these children had fallen off the rolls, with participation declining by 75 percent, to 333,000. In contrast, participation by other groups eligible for food stamps declined 23 percent during the same period.¹⁰

- State policies vary widely regarding which immigrants are eligible for programs that support the working poor. The welfare law gave states choices about providing programs, such as Medicaid and the State Children's Health Insurance Program (SCHIP), to legal immigrants. Most states chose to continue programs supported by federal Medicaid and TANF dollars, but there are vast disparities in states' willingness to use state funds for immigrants denied federal matching dollars.¹¹

For example, only three states cover all legal immigrants who lost eligibility for federal programs. And while 29 states provide partial funding for certain programs or for targeted groups of immigrants (such as children, elders, or people with disabilities), 18 states do not use any state funds for legal immigrants.¹² As a result, in many states immigrants do not have access to the services their tax dollars support. Not surprisingly, research indicates immigrant families suffer the greatest hardships in the states where their eligibility for services is most restricted.¹³

- Access barriers magnify the impact of eligibility restrictions. Many immigrants fear that even when they are eligible for a program, their family's receipt of benefits will jeopardize their immigration status or prevent them from sponsoring their relatives. Although these fears are often misplaced,¹⁴ continued ambiguities in several policy areas have created legitimate concerns, including potential repercussions if a sponsored immigrant enrolls in certain programs¹⁵ and provisions of the welfare law that limit the confidentiality of information that immigrant families share with a social service agency.¹⁶

Local agency policies and practices have also created major barriers. Agency workers are often uninformed about immigrant eligibility rules, inappropriately inquire about the immigration status and Social Security numbers of parents who are applying only for their children, or fail to offer interpreter services and translated materials to applicants who do not speak English. For example, in New York City, limited English-proficient applicants for Medicaid and TANF were consistently denied interpreter assistance.¹⁷ These practices create a climate of unease and intimidation about applying for services. As a result, even where states have preserved eligibility, immigrants are reluctant to apply.¹⁸

Some states have moved toward eliminating these barriers. For example, the Illinois Department of Human Services (IDHS) took a number of steps, including collaborating on trainings with the Illinois Coalition for Immigrant and Refugee Rights and appointing "immigrant liaisons" in many IDHS offices to enhance the capacity of IDHS staff to meet the needs of immigrant clients. In Massachusetts, the Massachusetts Immigrant and Refugee Advocacy Coalition worked with the U.S. Department of Health and Human Services Office for Civil Rights to offer a series of trainings for advocates and hospital staff on the rights of limited-English proficient speakers at social service agencies and hospitals.

Implications for Federal Policy

The federal government has issued several policies to improve immigrant families' access to services. These include: (1) clarification from the INS and the State Department that receipt of non-cash benefits should not jeopardize a person's immigration status,¹⁹ (2) guidance from the HHS Office of Civil Rights regarding the obligations of social service agencies receiving HHS funding to provide language-accessible services,²⁰ and (3) guidance to states from HHS and the Department of Agriculture on how to protect confidentiality and equal access by eliminating unnecessary questions about the immigration status and Social Security numbers of non-applicant household members.²¹

Although these policies have provided valuable help to local advocates working with policymakers and state administrators, significant access barriers to health coverage, food stamps, affordable housing, and child care for immigrant families persist. As immigrant labor becomes increasingly important to the national and

local economies, it is imperative that immigrants, like other Americans, have access to programs that their tax dollars support to help them maximize job advancement, strengthen their families, and promote upward mobility.

Recommended steps to support working poor immigrant families include:

- Restore immigrants' eligibility for federally funded programs that support working families, including health care, food stamps, housing, and programs funded under the TANF block grant, such as job training and child care. This step is fundamental to the well-being and upward mobility of immigrants and their children. The federal bar on funding these programs limits states' potential to assist a significant part of the working poor population. Lack of flexibility over the use of TANF funds, for example, prevents states from creating programs that address immigrant-specific barriers to employment and economic integration.²²
- Eliminate access barriers that prevent immigrants and their citizen children from using programs that support working families. Even when immigrants are eligible for services, they often cannot – or are afraid to – apply. Working poor families need to take advantage of such valuable programs as child care, job training, and English as a second language. To reduce access barriers, the federal government should: eliminate policies that make sponsors pay for services immigrants use in the Medicaid, SCHIP, and food stamp programs; eliminate “deeming” policies that artificially attribute sponsors' income to immigrants; ensure that programs are linguistically and culturally accessible; and ensure that immigrants can obtain support services without jeopardizing their families' safety or privacy.

The overwhelming unpopularity of the current restrictions is underscored by a 1998 nationwide poll conducted by the W.K. Kellogg Foundation, in which 77 percent of Americans felt that legal immigrants should have the same access to a safety net as U.S. citizens. Immigrants work, pay taxes and those who naturalize, vote. The need to resolve the disparity between welfare reform's intent and its effect on working immigrant families will be a critical component of a successful reauthorization debate.

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Endnotes

¹ The welfare law, the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, made most immigrants who entered the United States on or after August 22, 1996, ineligible for Temporary Assistance for Needy Families, Medicaid, the State Children's Health Insurance Program, food stamps, and Supplemental Security Income. It also severely restricted the eligibility of immigrants living in the United States before August 1996, although partial restorations in 1997 and 1998 restored SSI and food stamps to certain of these immigrants, primarily seniors, children, and persons with disabilities.

² In 2000, foreign-born men 16 years old and older had a higher labor force participation rate (79 percent) than native-born men (74 percent). See U.S. Census Bureau, *Coming to America: A Profile of the Nation's Foreign Born* (Washington, DC: U.S. Census Bureau, 2000).

³ Leighton Ku and Shannon Blaney, *Health Coverage for Legal Immigrant Children: New Census Data Highlight Importance of Restoring Medicaid and SCHIP Coverage* (Washington, DC: Center on Budget and Policy Priorities, October 2000).

⁴ Michael Fix and Wendy Zimmerman, *The Integration of Immigrant Families* (Washington, DC: Urban Institute, June 2000). Paper presented at *Strengthening Immigrant Families and American Communities: Strategies for the New Century*, June 2000.

⁵ Michael Fix and Jeffrey Passel, *Trends in Noncitizens' and Citizens' Use of Public Benefits Following Welfare Reform: 1994-1997* (Washington, DC: Urban Institute, March 1999).

⁶ Ku and Blaney, *Health Coverage for Immigrant Children*.

⁷ Laura Castner, *Trends in FSP Participation Rates: Focus on 1994-1998* (Mathematica Policy Research, Inc., November, 2000).

⁸ The National Academy of Sciences reports that the United States reaps a \$50 billion surplus from taxes paid by immigrants to all levels of government minus expenses attributable to immigrants. In New York, of the \$19.3 billion in taxes paid by immigrants, \$13.3 billion (69 percent) goes to the federal government in the form of income taxes, Social Security taxes, and unemployment insurance. See Jeffrey Passel and Rebecca Clark, *Immigrants in New York: Their Legal Status, Incomes, and Taxes* (Washington, DC: Urban Institute, April 1998).

⁹ Hardship is greater for children of immigrants than for children of U.S. natives in three areas: food, housing, and health care. See Randy Capps, *Hardship among Children of Immigrants: Findings from the 1999 National Survey of America's Families* (Washington, DC: Urban Institute, February 2001).

¹⁰ USDA Food Stamp Program Quality-Control Data for 1994 and 1998.

¹¹ National Immigration Law Center, *Guide to Immigrant Eligibility for Federal Programs* (Los Angeles, 2001).

¹² *Ibid.*

¹³ Capps, *Hardship among Children of Immigrants*.

¹⁴ Federal guidance from the Department of Justice and the Department of State has clarified that receipt of non-cash benefits, including health care and food stamps, does not jeopardize a person's immigration status. See Endnote 19.

¹⁵ The welfare law allows states to sue sponsors for the reimbursement of means-tested benefits used by the sponsored immigrant. Means-tested benefits have been defined to include SSI, TANF, Medicaid, SCHIP, and food stamps. States also have the discretion to seek reimbursement for state means-tested benefits.

¹⁶ Although the interim guidance from the Department of Justice clarified that agencies may only ask about the immigration status of the applicant, the guidance does not clarify the circumstances under which information about immigration status obtained through the verification process may be turned over to the INS. See Dinah Wiley, *Immigrant Privacy Concerns under Welfare Reform: The Need for Federal Guidance on "The Communications Provisions"* (Washington, DC: National Immigration Law Center, September 2000).

¹⁷ In 1999, Region II of the Office for Civil Rights of the U.S. Department of Health and Human Services found that the New York City Human Resources Administration discriminated against limited English-proficient Medicaid and TANF clients under Title VI of the Civil Rights Act of 1964.

¹⁸ In Illinois, immigrant enrollment in state-funded replacement programs was so low that the legislature considered rescinding the programs.

¹⁹ Department of Justice, "INS Field Guidance on Deportability and Inadmissibility on Public Charge Grounds," 64 Fed. Reg. 28689-93 (May 26, 1999); Department of State Policy Guidance, Ref: 9 FAM 40:41, "Inadmissibility on Public Charge Grounds," 64 Fed. Reg. 28,676-88 (May 26, 1999).

²⁰ Department of Health and Human Services, Office for Civil Rights, "Title VI of the Civil Rights Act of 1964: Policy Guidance on the Prohibition Against National Origin Discrimination As It Affects Persons With Limited English Proficiency," 65 Fed. Reg. 52,762 (Aug. 30, 2000); Executive Order 13166 of The President, "Improving Access to Services for Persons With Limited English Proficiency," 65 Fed. Reg. 50,121 (Aug. 16, 2000).

²¹ Department of Health and Human Services and Department of Agriculture, "Policy Guidance Regarding Inquiries into Citizenship, Immigration Status and Social Security numbers in State Applications for Medicaid, State Children's Health Insurance Program (SCHIP), Temporary Assistance for Needy Families (TANF), and Food Stamp Benefits," September 21, 2000. See www.hhs.gov/ocr.

²² Shawn Fremstad, *Immigrant Families and TANF Reauthorization* (Washington, DC: Center on Budget and Policy Priorities, preliminary draft, May 2001).