CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE

May 4, 2000

S. 2058

A bill to extend filing deadlines for applications for adjustment of status of certain Cuban, Nicaraguan, and Haitian nationals

As reported by the Senate Committee on the Judiciary on April 13, 2000

SUMMARY

The Nicaraguan Adjustment and Central American Relief Act (NACARA) and the Haitian Refugee Immigration Fairness Act (HRIFA) allowed certain Nicaraguan, Cuban, and Haitian nationals to become legal permanent residents, if they applied for this status by April 1, 2000. S. 2058 would extend this deadline to March 24, 2001. Some individuals who would become legal permanent residents under the bill would thereby qualify for certain welfare benefits for which they would otherwise be ineligible. CBO expects that their eligibility would add costs for benefit programs, ranging between $1 million and $5 million a year over the 2001-2005 period. Because enacting S. 2058 would affect direct spending, pay-as-you go procedures would apply.

S. 2058 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA). Some immigrants would be eligible for Medicaid assistance as a result of the bill, and the cost to states for those benefits would total between $500,000 and $2 million annually over the 2001-2005 period. These costs would not result from mandates as defined by UMRA.

ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary impact of S. 2058 is shown in the following table. For the purposes of this estimate, CBO assumes that the bill will be enacted by the end of fiscal year 2000. The costs of this legislation fall within budget functions 550 (health), 600 (income security), and 750 (administration of justice).

	By Fiscal Year, in Millions of Dollars					
	2000	2001	2002	2003	2004	2005
CHANGES IN DIRECT SPENDING						
Supplemental Security Income						
Estimated Budget Authority	0	a	1	1	3	3
Estimated Outlays	0	a	1	1	3	3
Medicaid						
Estimated Budget Authority	0	a	1	1	2	2
Estimated Outlays	0	a	1	1	2	2
Total Changes						
Estimated Budget Authority	0	1	2	2	5	5
Estimated Outlays	0	1	2	2	5	5

a. Less than $500,000.

BASIS OF ESTIMATE

The provisions of NACARA and HRIFA allowed certain Nicaraguan, Cuban, and Haitian nationals to become legal permanent residents, if they applied by April 1, 2000. This change in legal status affected the eligibility of some aliens for certain federal welfare benefits. S. 2058 would extend the deadline to apply for adjustment of status, and allow additional aliens to become permanent residents.

The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA) restricted aliens' eligibility for most federal public benefits. These restrictions were modified by the Balanced Budget Act of 1997 and the Agricultural Research, Extension, and Education Reform Act of 1998, which restored eligibility for Supplemental Security Income (SSI) and Food Stamps for certain groups of qualified aliens who were lawfully residing in the United States in August 1996.

Many of the individuals eligible for adjustment of status under NACARA and HRIFA would not be considered qualified aliens under PRWORA until they convert to permanent resident status. HRIFA restricts such individuals from being considered qualified aliens for purposes of determining eligibility for SSI and Medicaid until October 1, 2003. Based on information from the Immigration and Naturalization Service (INS) on the number of applications received by March 2000, CBO estimates an additional 30,000 individuals would apply for an adjustment of their status if the filing deadline were extended one year. Less than

2 percent of the new legal permanent residents would qualify for SSI disability benefits and the associated Medicaid benefits. This estimate is based on a five-year study of aliens who received amnesty under the Immigration Reform and Control Act of 1986. By fiscal year 2004, when the Haitian applicants would also be eligible for SSI and Medicaid benefits, almost 500 individuals would participate at an average annual cost per person of about $6,000 in SSI benefits and about $4,000 in Medicaid benefits. Direct spending would increase by $3 million for the SSI program and by $2 million for the Medicaid program. There would also be additional spending in the Food Stamp program, but the costs would be less than $500,000 each year.

Enacting S. 2058 would increase fees collected by the INS from about 30,000 people who would become permanent residents under the bill. The fees for permanent residence are $220 for adult beneficiaries and $160 for children, so CBO estimates that implementing the bill would increase the amount of fees collected by a total of about $6 million over fiscal years 2000 and 2001. The INS would spend the fees, without appropriation action, mostly in the year in which they are collected. Therefore, enacting S. 2058 would result in a negligible net budgetary impact for the INS.

PAY-AS-YOU-GO CONSIDERATIONS

The Balanced Budget and Emergency Deficit Control Act sets up pay-as-you-go procedures for legislation affecting direct spending or receipts. The net changes in outlays that are subject to pay-as-you-go rules are shown in the following table. For the purposes of enforcing pay-as-you-go procedures, only the effects in the current year, the budget year, and the succeeding four years are counted.

	By Fiscal Year, in Millions of Dollars										
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Changes in outlays	0	1	2	2	5	5	5	6	6	6	6
Changes in receipts	Not applicable										

ESTIMATED IMPACT ON STATE, LOCAL, AND TRIBAL GOVERNMENTS

S. 2058 contains no intergovernmental mandates as defined in UMRA. While some immigrants would be eligible for certain welfare benefits under S. 2058, including Supplemental Security Income, very few would qualify for SSI supplements provided by states. However, those eligible for federal SSI benefits would qualify for Medicaid assistance, and those benefits would cost states between $500,000 and $2 million annually over the 2001-2005 period. However, because states possess sufficient flexibility to alter their financial or programmatic responsibilities to offset these additional Medicaid costs, these impacts would not be considered mandates under UMRA.

ESTIMATED IMPACT ON THE PRIVATE SECTOR

The bill contains no private-sector mandates as defined in UMRA.

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