LEGISLATIVE FISCAL OFFICE
Fiscal Note

Fiscal Note On: **HB 538** HLS 15RS 811
Bill Text Version: **ORIGINAL**
Opp. Chamb. Action:
Proposed Amd.:
Sub. Bill For.:

Date: May 1, 2015 2:48 PM
Author: HODGES
Dept./Agy.:
Subject: Verification of Lawful Presence in the US
Analyst: Travis McIlwain

STATE AGENCIES OR INCREASE GF EX See Note

Requires verification of lawful presence in the United States to receive federal, state, or local public benefits from a state agency, department, or political subdivision

Proposed bill provides that each agency, department and political subdivision of the state shall verify the lawful presence in the US of each natural person 18 years of age or older who applies for state or local public benefits or for federal public benefits for the applicant. Proposed bill provides that each state agency or political subdivision verify the lawful presence by requiring the applicant to provide a valid ID, executing an affidavit stating he is a citizen of the US or he is lawfully present in the US in accordance with federal law. Proposed bill provides verification of lawful presence of an alien be made through the federal SAVE Program if such an individual attests within the affidavit that he/she is an alien lawfully present in the U.S. Proposed bill provides any person who knowingly makes a false statement in the affidavit shall be charged with the crime of false swearing. Proposed bill provides for exemptions to the verification process. Proposed bill provides for each state agency that administers a program that provides federal, state or local public benefits provide a report addressing its compliance with the requirements of the proposed law annually on or before January 1st.

EXPENDITURES	**2015-16**	**2016-17**	**2017-18**	**2018-19**	**2019-20**	**5 -YEAR TOTAL**
State Gen. Fd.	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
Agy. Self-Gen.	$0	$0	$0	$0	$0	**$0**
Ded./Other	$0	$0	$0	$0	$0	**$0**
Federal Funds	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
Local Funds	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
Annual Total						

REVENUES	**2015-16**	**2016-17**	**2017-18**	**2018-19**	**2019-20**	**5 -YEAR TOTAL**
State Gen. Fd.	$0	$0	$0	$0	$0	**$0**
Agy. Self-Gen.	$0	$0	$0	$0	$0	**$0**
Ded./Other	$0	$0	$0	$0	$0	**$0**
Federal Funds	$0	$0	$0	$0	$0	**$0**
Local Funds	$0	$0	$0	$0	$0	**$0**
Annual Total	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**

EXPENDITURE EXPLANATION

The proposed legislation is anticipated to result in a significant but indeterminable expenditure increase to state agencies and political subdivisions who administer public benefits. This bill requires state agencies and political subdivisions to verify lawful presence of immigrants who apply for public benefits by executing an affidavit with the applicant and/or verifying their identity through the Systematic Alien Verification for Entitlements (SAVE) Program. Based upon the proposed legislation, the SAVE verification is only required if an applicant is identified in the affidavit as an alien lawfully present in the U.S.

Department of Children & Family Services (DCFS) indicates the proposed legislation will require an additional 38 TO positions at an anticipated cost of approximately $2.2 million ($0.7 million SGF, $1.5 million federal). This bill requires the execution of an affidavit that states that he/she is a U.S. Citizen. According to DCFS, this requirement is not currently an application requirement of its federal programs (Supplemental Nutrition Assistance Program, Family Independence Temporary Assistance Program, Kinship Care Subsidy Program). Due to DCFS processing approximately 474,000 applications across all major programs annually, requiring that each applicant submit an affidavit will likely result in a significant need for additional personnel. To the extent a social service analyst can process 6 affidavits per hour, one analyst could process approximately 12,480 affidavits annually. To the extent DCFS were to continue to receive approximately 474,000 applications annually, this bill may result in a potential need of 38 additional positions (474,000/12,480 = 38). The average salary/related benefits for an entry level analyst is approximately $57,000, which would equate to approximately $2.2 million ($0.7 million SGF, $1.5 million federal). To the extent the existing staff could process some of the additional anticipated work load (economies of scale), the number of anticipated positions could be reduced. However, this will likely result in additional wait times for individuals seeking services. The additional need for positions could also be mitigated if the applicant were to actually execute the affidavit themselves through the services of a public notary, which would relieve DCFS from executing these documents for them. However, these applicants may choose to not pay for a public notary in order to receive these public benefits.

Health & Hospitals (DHH) indicates the proposed legislation will require an additional of 10 TO positions at an anticipated cost of approximately $988,000. DHH contends these positions will be needed within the 10 human service districts to assist in the verification process required within this bill, including executing the required affidavits. To the extent the existing staff could process some of the additional anticipated work load (economies of scale), the number of anticipated positions could be reduced. However, this will likely result in additional wait times for individuals seeking clinic services. The additional need for positions could also be mitigated if the applicant were to actually execute the affidavit themselves through the services a public notary, which would relieve DHH from executing these documents for them. However, these applicants may not choose to pay for a public notary in order to receive these public benefits.

(See page 2)

REVENUE EXPLANATION

There is no anticipated direct material effect on governmental revenues as a result of this measure.

Senate Dual Referral Rules House

[x] 13.5.1 >= $100,000 Annual Fiscal Cost {S&H}
[ ] 13.5.2 >= $500,000 Annual Tax or Fee Change {S&H}
[x] 6.8(F)(1) >= $100,000 SGF Fiscal Cost {H & S}
[ ] 6.8(F)(2) >= $500,000 Rev. Red. to State {H & S}
[ ] 6.8(G) >= $500,000 Tax or Fee Increase or a Net Fee Decrease {S}

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CONTINUED EXPLANATION from page one:

In addition, DHH interprets that this legislation could impact individuals already receiving services at the human service districts. These individuals would be required to executive an affidavit in order to continue their health services, which will result in additional workload.

The **Workforce Commission** already utilizes the SAVE system to verify whether a non-citizens are legally authorized to work in Louisiana. However, this legislation requires the execution of an affidavit. According to the Workforce Commission if an official affidavit is required, there will likely be additional costs to the Commission as a result of processing these documents, which may be a violation of the federal unemployment laws. The Workforce Commission indicates that pursuant to Sections 3304(a)(4), FUTA and 303(a)(5), SSA of federal law, the state cannot require an affidavit as a condition of eligibility for unemployment benefits.

According to the **Office of Technology Services (OTS)**, there are 2 potential IT solutions for implementing the requirements of the proposed legislation. Those requirements include: 1.) web application, 2.) integration of SAVE verification with agency's benefit system. The web application (option 1) is provided by the U.S. Department of Homeland Security and allows user state agencies or political subdivisions to create a user account and enter in data to be verified. It should be noted there is a transaction cost of $1.50 per transaction for each verification. The transaction cost will be borne by the state agency administering the benefits. For example, the Disaster Recovery Unit issued approximately 1,600 public benefit payments last year, which equates to a potential transactional cost of the agency of approximately $2,400. To the extent the $1.50 per transaction were applied to the public benefit payments of Health & Hospitals and Children & Family Services, the aggregate state costs will likely be significant. Based upon the proposed legislation, the SAVE verification is only required if an applicant is identified in the affidavit as an alien lawfully present in the U.S. Therefore, the projected $2,400 could be less.

Integrating (option 2) the SAVE verification system with the agency's benefit system is anticipated to result in onetime IT startup costs ranging from $300,000 to $500,000 per system to modify the existing state systems to communicate properly with the federal SAVE system. To the extent this process is undertaken by all state agencies who are public benefit payers, the aggregate onetime start up costs could range from $1.5 million to $2.5 million.

Senate	Dual Referral Rules	House
[x] 13.5.1 >= $100,000 Annual Fiscal Cost {S&H}		[x] 6.8(F)(1) >= $100,000 SGF Fiscal Cost {H & S}
[ ] 13.5.2 >= $500,000 Annual Tax or Fee Change {S&H}		[ ] 6.8(F)(2) >= $500,000 Rev. Red. to State {H & S}
		[ ] 6.8(G) >= $500,000 Tax or Fee Increase or a Net Fee Decrease {S}

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