

THE WHITE HOUSE
WASHINGTON, D.C. 20500

DATE: 6/8/96

TO: Leon Panetta
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FROM: Staff Secretary

FYI.



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
THE SECRETARY
WASHINGTON, D.C. 20410-0001

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M E M O R A N D U M

FOR: Honorable William J. Clinton

FROM: Secretary Henry G. Cisneros, S

SUBJECT: Adverse Impact of Welfare Reform Bills on Legal Immigrants

This is to inform you of concerns about the serious impact of provisions in current welfare reform proposals that would affect millions of legal immigrants -- and the adult children of legal immigrants -- most significantly in States such as California and New York.

I have been approached by key members of the Congressional Hispanic Caucus i.e., Representatives Roybal-Allard, Becerra, Richardson and Torres, who have strongly expressed their concerns about the welfare reform proposals, and have asked that I convey these concerns to you.

These California Congressmen represent Congressional districts with large populations of legal immigrants that will be severely affected by the proposed changes. But the potential problem in California will not be confined to these Members' districts -- it will affect every district in the State, as well as other States with large legal immigrant populations. Moreover, the impact of these changes affects not only the population of legal immigrants, but also the sons and daughters of legal immigrants who may have to carry the full burden of caring for their elderly parents if access to vital benefit programs are denied as a result of the enactment of these proposals.

For example, the welfare reform proposals, which were included in the welfare reform bill that passed Congress last year and that you vetoed (H.R. 4), would, if enacted into law: (1) bar many legal immigrants from Supplemental Security Income (SSI) and Food Stamps; and (2) make many legal immigrants, for five years after enactment of the legislation, generally ineligible for all government needs-based assistance programs

(through deeming of a sponsor's income), including those involving medical assistance and housing assistance.

The following demonstrates just some of the potential impact of these proposals.

There are almost a half-million elderly and disabled legal immigrants for example who would be terminated from the SSI program if these proposals are passed. In addition, many legal immigrants would be made ineligible for other programs of critical need to the elderly and poor such as Medicaid and Meals-on-Wheels.

Furthermore, denying needed Federal benefits to legal immigrants will not make the governmental burden of meeting that need disappear -- it will only be transferred to the States and to local communities. This will be particularly hard on States and local communities with large legal immigrant populations -- California, Florida, Texas and New York will bear over 76% of the total federal funding loss if these proposals become law.

It is also very difficult to justify targeting legal immigrants by denying them vital safety-net programs, simply on the basis of their immigration status. Legal immigrants pay taxes, and serve in the military, and therefore should be entitled to these critically needed benefits, on the same basis as responsible citizens. In fact, studies show that immigrants generally pay \$25 billion more annually than they receive in benefits, and are significant contributors to the economy -- with total immigrant income reported by the 1990 census to be \$285 billion or 8% of all reported income.

I believe that the potential impact of these proposed welfare reform changes on an important segment of our Nation's population, and the potential impact on States and localities, warrants a full review in any consideration of welfare reform legislation as a whole.

I am looking forward to discussing this important issue with you further at your convenience.