United States General Accounting Office

GAO

Report to the Honorable Elton Gallegly, House of Representatives

June 1999

WELFARE REFORM

Public Assistance Benefits Provided to Recently Naturalized Citizens

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United States
General Accounting Office
Washington, D.C. 20548

Health, Education, and
Human Services Division

B-280390

June 23, 1999

The Honorable Elton Gallegly
House of Representatives

Dear Mr. Gallegly:

Between World War II and the mid-1990s, the annual number of immigrants who became naturalized U.S. citizens never exceeded 400,000. Since then, however, the number of naturalizations has grown dramatically. In fiscal year 1996 alone, more than 1 million immigrants became naturalized—an all-time high. In August of the same year, the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (commonly known as the welfare reform law) made noncitizen immigrants ineligible for certain federal public assistance benefits. You expressed concern that some immigrants may be seeking naturalization for the purpose of obtaining or retaining access to such benefits. This report responds to your request that we provide information on (1) the number of recently naturalized citizens receiving benefits from four major public assistance programs (Supplemental Security Income (SSI), Medicaid, Temporary Assistance for Needy Families (TANF), and Food Stamps) compared with that of the native-born population in 1997 and (2) the estimated annual cost to the federal and state governments of providing such benefits to these naturalized citizens.

In preparing this report, we obtained data from the Immigration and Naturalization Service (INS) on about 927,000 immigrants who were recently naturalized—during fiscal years 1996 and 1997.[1] We obtained nationwide data on the SSI program from the SSA.[2] For the Medicaid and Food Stamp programs, we obtained data from the five states (California, Florida, Illinois, New York, and Texas) that together account for about three-quarters of the recently naturalized individuals.[3] For the TANF program, we obtained data from four of those five states (California, Florida, New York, and Texas).[4] To determine the number and proportion

[1]Those for whom we could find a valid Social Security number (SSN). A unique identifier, such as a valid SSN, is necessary for computer matching.

[2]Of the four programs we examined, we could obtain national data only for SSI because it is the one program administered by the federal government. The other three programs are administered by the states and every state would have to be contacted to obtain complete data.

[3]About 703,000 of the 927,000 individuals we identified who were naturalized in fiscal years 1996 and 1997 reside in California, Florida, Illinois, New York, and Texas.

[4]We were unable to include TANF data from Illinois because of data format constraints.

of recently naturalized citizens who received public assistance benefits, and the cost of the benefits provided to them, we matched the naturalized citizen data against these federal and state public assistance records. To compare the naturalized citizens' rate of participation in the SSI, Medicaid, and TANF programs with that of the native-born population, we used calendar year 1997 data from the Bureau of the Census' March 1998 Current Population Survey (CPS) for native-born citizens aged 18 years or older.[5]

We conducted our work between April 1998 and April 1999 in accordance with generally accepted government auditing standards. See appendix I for a more detailed description of our scope and methodology.

Results in Brief

Our analysis shows that the recently naturalized citizens we identified generally used SSI, Medicaid, and TANF benefits at a higher rate in 1997 than the native-born population. Nationally, out of the 927,338 immigrants who were recently naturalized, we found that about 8.3 percent received SSI benefits during 1997. This rate is higher than the rate of 2.4 percent for the nation's native-born citizens. Also, the rate of benefit receipt for recently naturalized citizens in the Medicaid and TANF programs was higher than the CPS-based estimate for the native-born population in several of the states we examined, although the magnitude of difference varied across some states. For example, we found that 9.6 percent of the recently naturalized citizens in Texas received Medicaid compared with 6.1 percent of the native-born population, while 23.7 percent of the recently naturalized citizens in California received such benefits compared with 8.2 percent of the native-born population. We found similar patterns of difference for the TANF program in the states we examined. Because we compared estimates derived from administrative data for recently naturalized citizens with estimates derived from self-reported survey data for native-born citizens, the actual variation between the two populations' receipt of public assistance may differ somewhat from our estimates. Nevertheless, these estimates are the most accurate we could calculate given the data available. In addition, a variety of factors may contribute to differences in the benefit receipt rates between the recently naturalized citizens and the native-born population. These include individuals' decisions to apply for benefits, as well as program eligibility factors such as income.

[5]We only examined native-born citizens aged 18 years or older because the population of naturalized citizens we examined consisted of individuals aged 18 or older. (Federal regulations require that immigrants seeking naturalization be at least 18.)

The benefits paid by the federal and state governments in 1997 to the recently naturalized citizens included in our review totaled about $735 million for the four programs. This figure reflects nationwide data for the SSI program, as well as data from five states for the Medicaid and Food Stamp programs (representing 76 percent of all the recently naturalized citizens in our review[6]), and from four states for the TANF program (representing 71 percent of all the recently naturalized citizens in our review). Overall, the percentage of benefits paid to recently naturalized citizens in each program was about 1 percent or less of the total benefits paid to all recipients.

Background

Naturalization is the process by which those born outside of the United States can obtain U.S. citizenship. To become a naturalized citizen, an immigrant must fulfill certain requirements set forth in the Immigration and Nationality Act and federal regulations. Generally, these naturalization provisions specify that an immigrant be at least 18 years of age; have resided in the country continuously for at least 5 years; have the ability to speak, read, and write the English language; have knowledge of the U.S. government and history; and be of good moral character. Some of these requirements (such as the language requirement) are waived for older individuals and those who are unable to comply because of physical, mental, or developmental disabilities.[7]

Naturalized citizens enjoy most of the same legal rights and responsibilities as native-born citizens, including the right to apply for public assistance. Historically, legal permanent residents (noncitizens) of the United States have also been eligible to apply for various public assistance benefits. However, the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 contained several public assistance benefit restrictions. Title IV of the Act made noncitizens ineligible for certain federal welfare benefits and gave states the option to provide or restrict their access to other federal, state, or local benefits. Eligibility restrictions were greatest for those who entered the country on or after August 22, 1996, the date of enactment.

The major federal- and state-administered public assistance programs affected by the welfare reform law were SSI, TANF (formerly Aid to Families

[6]Among the 927,338 naturalized citizens we identified nationally who became citizens in fiscal years 1996 and 1997.

[7]The language requirement and civics test are waived in some cases for older immigrants who have resided in the United States for an extended period.

With Dependent Children), Medicaid, and Food Stamps. These programs provide either cash or in-kind benefits to individuals who meet the eligibility criteria. The law initially barred immigrants, with some exceptions, from receiving SSI or food stamps and generally prohibited new immigrants from receiving TANF or Medicaid benefits during their first 5 years in the United States. In addition, the law gave states the option of denying TANF benefits and Medicaid eligibility to most prereform immigrants and to new immigrants[8] even after 5 years of U.S. residency. Subsequently, the Balanced Budget Act of 1997 largely restored eligibility for SSI to many noncitizens who were affected by the welfare reform law. In addition, the Agricultural Research, Extension, and Education Reform Act of 1998 restored Food Stamp eligibility for prereform immigrants who were younger than 18, aged 65 and older, or were receiving benefits or assistance for blindness or disability as of August 22, 1996. Moreover, most states have also chosen to continue providing federal TANF and Medicaid benefits to new immigrants after 5 years of U.S. residency.[9]

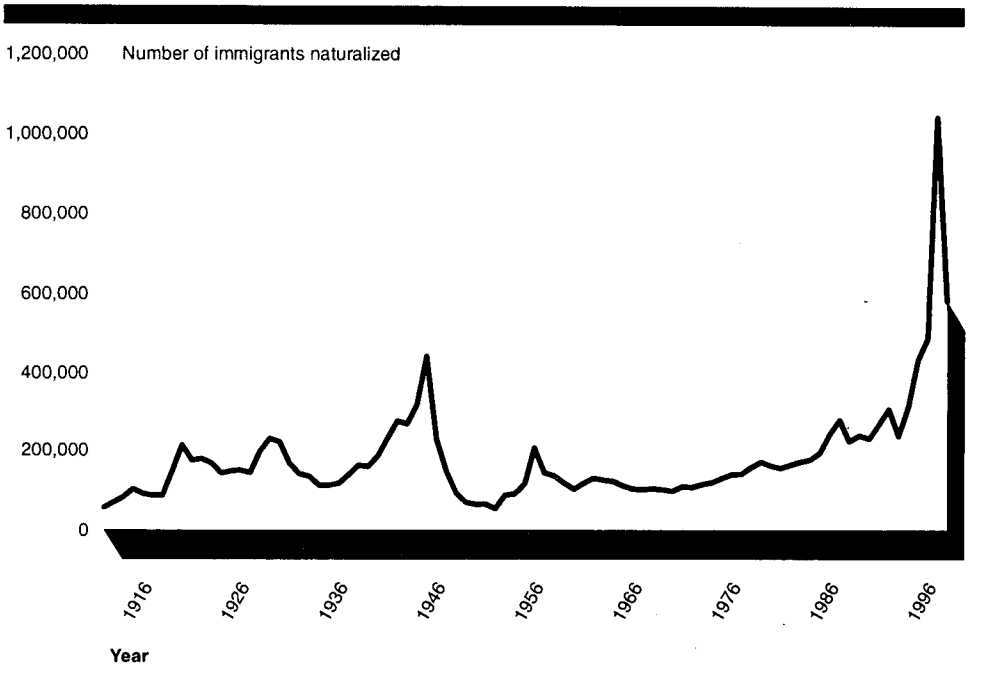
Since the mid-1990s, the number of naturalizations each year has increased significantly, with over 1 million immigrants becoming U.S. citizens in 1996 alone (see figure 1). According to INS, several factors likely have contributed to this recent, rapid increase in naturalizations. They cited the following:

- A "Green Card Replacement Program" initiated by INS in 1992 required long-term residents to replace their permanent resident alien cards with new, more counterfeit-resistant cards; many immigrants chose to become naturalized rather than incur the cost of applying for a new card.
- The passage of the Immigration Reform and Control Act of 1986 (IRCA) resulted in about 2.7 million illegal aliens being granted legal permanent resident status. In 1994, the first IRCA immigrants became eligible for naturalization (see app. II for more detailed information on the IRCA-naturalized citizens in our review).
- The Citizenship USA initiative, implemented in August 1995, was designed to streamline the naturalization process.
- Legislative efforts restricted public benefits for noncitizens at the state and federal levels.

[8]Those immigrants entering the country on or after the date of enactment of the welfare reform law.

[9]Welfare Reform: Many States Continue Some Federal or State Benefits for Immigrants (GAO/HEHS-98-132, July 31, 1998).

Figure 1: Number of People Naturalized (Fiscal Years 1911-97)



Source: INS.

Recently Naturalized Citizens Received Benefits at a Higher Rate Than Native-Born Citizens in 1997

We estimate that, in general, the recently naturalized citizens included in our review received SSI, Medicaid, and TANF benefits at a higher rate in 1997 than did the native-born population.[10] Nationally, recently naturalized citizens received SSI benefits at a rate higher than that of the native-born population. Similarly, the recently naturalized citizens in our review received Medicaid and TANF benefits at a higher rate than the native-born population in several of the five states we examined—California, Florida, Illinois, New York, and Texas—although the difference in the rate of benefit receipt between naturalized citizens and native-born citizens varied across states.[11] A variety of factors may contribute to differences in the benefit receipt rates between the recently naturalized citizens and the native-born population. These include individuals' decisions to apply for benefits, as well as program eligibility factors such as income. We identified naturalized citizens receiving Food Stamp benefits in all five

[10]Our CPS-based estimates for the native-born population have standard errors associated with them. See appendix I for a discussion of these standard errors.

[11]The difference between the recently naturalized citizens' rate of benefit receipt and that of native-born citizens was not statistically significant in three instances: Medicaid benefits in Illinois, and TANF benefits in Florida and Texas (see table I.2 in app. I).

states, but lacked sufficient data to compare their benefit use with that of the native-born population for this program. In addition, we analyzed IRCA-naturalized citizens (a subset that represented almost 30 percent of all the recently naturalized citizens in our review) separately to determine if their pattern of benefit receipt differed from that of all other recently naturalized citizens (see app. II).

SSI

For calendar year 1997, we identified 76,823 recently naturalized citizens who received SSI benefits. These individuals represent 8.3 percent of the 927,338 recently naturalized citizens in our review—a rate higher than the comparable figure of 2.4 percent for the native-born population. Overall, the recently naturalized citizens who received SSI benefits represent about 1.2 percent of the total population of about 6.6 million SSI recipients nationwide in 1997.

We also analyzed a more comprehensive group of about 2.7 million naturalized citizens who obtained citizenship between 1970 and 1995 to determine if individuals who were naturalized in earlier years received benefits at the same rate as those who were naturalized recently. About 4.2 percent of all the individuals who were naturalized during this 25-year period (112,140) received SSI benefits in 1997. The immigrants who were naturalized between 1970 and 1995 received benefits in 1997 at about half the rate of the group of recently naturalized citizens.[12] This suggests the possibility that the rate of SSI benefit receipt among recently naturalized citizens may not be representative of the benefit receipt rate among all naturalized citizens. We could not, however, determine what factors contributed to the difference in receipt rates between the two groups.

Medicaid and TANF

Of the 702,560 recently naturalized citizens who resided in five states—California, Florida, Illinois, New York, and Texas—we found that 135,681 (19.3 percent) received Medicaid benefits. In four of the five states, these naturalized citizens received Medicaid benefits in 1997 at a higher rate than that of the native-born citizen population.[13] The largest difference between the two populations' use of benefits was in California, where 23.7 percent of the recently naturalized citizens received Medicaid, while our analysis of CPS data indicates that 8.2 percent of the native-born

[12]We were able to make this comparison for the SSI program only, because it is the one program we reviewed that has the nationwide data on program participants essential for our analysis.

[13]The difference between the recently naturalized citizens' rate of benefit receipt and that of native-born citizens was not statistically significant in Illinois. See table I.2 in app. I.

citizens in California received such benefits. By comparison, Texas exhibited a much smaller difference in rates of receipt, with 9.6 percent of the naturalized citizens receiving benefits in 1997 compared with 6.1 percent of the native-born population (see table 1).

We also identified 30,052 individuals receiving TANF benefits in four states—California, Florida, New York, and Texas—or about 4.6 percent of all the recently naturalized citizens residing in those states. Recently naturalized citizens used TANF benefits at a higher rate than native-born citizens in two of the four states.[14] As with Medicaid, the difference between the two populations' use of benefits varied from one state to the next. We found that 5.8 percent of recently naturalized citizens with valid SSNs in California received TANF—a considerably higher rate than that of the native-born population (2 percent). By comparison, New York exhibited a somewhat smaller difference in rates of receipt, with 4.7 percent of the recently naturalized citizens receiving benefits in 1997 compared with 2.2 percent of the native-born population. See table 1 for a summary of naturalized and native-born citizens' use of benefits in each state.

[14]The difference between the recently naturalized citizens' rate of benefit receipt and that of native-born citizens was not statistically significant in Florida and Texas. See table I.2 in app. I.

Table 1: Rates of Public Assistance Receipt by Recently Naturalized and Native-Born Citizens, Calendar Year 1997

Program	Source of data	Estimated percentage of recently naturalized citizens receiving benefits	Estimated percentage of native-born citizens receiving benefits[a]
SSI	National	8.3	2.4
Medicaid	Calif.	23.7	8.2
	Fla.	18.7	6.2
	Ill.	7.5	6.0[b]
	N.Y.[c]	17.3	9.6
	Tex.	9.6	6.1
TANF[d]	Calif.	5.8	2.0
	Fla.	1.8	1.1[b]
	N.Y.	4.7	2.2
	Tex.	1.5	1.2[b]

[a]Estimates based on March 1998 CPS data, which reflect survey responses for public assistance receipt during calendar year 1997.

[b]The CPS-based estimate for the native-born population is not statistically different from the estimate for the recently naturalized citizens, which was calculated using administrative data.

[c]New York Medicaid data are for fiscal year 1997, rather than calendar year 1997.

[d]We were unable to use Illinois' TANF data in our review due to formatting problems.

Food Stamps

We found that 77,351 recently naturalized citizens (11 percent) in the five states received Food Stamp benefits. Similar to the other programs we analyzed, receipt of food stamps by recently naturalized citizens varied widely among the five states. We found the highest rate of receipt in Florida, where 17.6 percent of the recently naturalized population accessed benefits, followed by New York (14.6 percent), Texas (13.1 percent), California (7.9 percent), and Illinois (5.7 percent). However, we were unable to compare the naturalized and native-born populations' use of this program because CPS survey data measure food stamp receipt by households, not individuals.

Comparing Benefit Rates Using Administrative Data and CPS Data Requires Caution

Our estimates of benefit receipt by recently naturalized citizens and the native-born population are likely to be affected by substantive differences between, and limitations in, the administrative program data and the CPS survey data. For example, because the data on naturalized citizens only

include individuals for whom we could find a valid SSN, our data may not be representative of all naturalized citizens in the country. If all naturalized citizens in the country were included in our analysis, the proportion of this population that we identified as receiving public assistance could change. Moreover, a variety of factors may contribute to differences in the rate of public assistance receipt between these populations, including individuals' decisions to apply for benefits and program eligibility factors such as income.

According to a Census Bureau official, the CPS data we used to estimate the native-born population's use of public assistance benefits may understate the true proportion of individuals receiving such benefits, largely because these data are self-reported. This official indicated that survey respondents frequently underreport this type of information, thus lowering the estimated percentage of individuals who receive public assistance. Moreover, because the CPS survey analyzes sample data to estimate characteristics of the entire population, the estimates we based on CPS data have sampling errors associated with them (see app. 1).

Recently Naturalized Citizens Received About $735 Million in Benefits in 1997

We estimate that the benefits paid[15] by the federal and state governments to the recently naturalized citizens included in our review for SSI, Medicaid, TANF, and food stamps totaled about $735 million in 1997. This figure is based on national data for the SSI program; data from California, Florida, Illinois, New York, and Texas for the Medicaid and Food Stamp programs; and data from four of the states (excluding Illinois) for the TANF program.[16] The percentage of benefits received by the recently naturalized citizens in each program was 1.3 percent or less of the total benefits paid to all recipients in those programs and states. In addition, the amount of benefits received by these recently naturalized citizens was generally proportional to their representation in the recipient populations for each of the four programs.[17]

Total SSI benefits paid nationwide to 76,823 recently naturalized citizens equaled $331 million, or about 1.3 percent of the benefits paid to all

[15]Our estimates do not include administrative costs for these programs.

[16]As indicated previously, about three-quarters of all the immigrants who were naturalized in recent years reside in the five states we examined.

[17]The naturalized citizens we identified as receiving benefits in each of the programs represent about 1.2 percent of all SSI recipients nationwide; 0.8 percent and 0.6 percent of all Medicaid and food stamp recipients, respectively, in the five states we examined; and 0.5 percent of all TANF recipients in four of the states (excluding Illinois).

program recipients in 1997. By comparison, the 112,140 immigrants on the SSI rolls who were naturalized between 1970 and 1995 received about $489 million in SSI benefits in 1997. Although the recently naturalized citizens represent about 26 percent of all the immigrants who were naturalized between 1970 and 1997,[18] the recently naturalized citizens received about 40 percent of the $820 million in SSI benefits that went to all immigrants who were naturalized between 1970 and 1997.

Medicaid claims for recently naturalized citizens totaled about $317 million, representing about 0.6 percent of all Medicaid benefits paid in the five states we examined. TANF benefits paid to recently naturalized citizens totaled about $42 million, or 0.5 percent of all the benefits paid to recipients in the four states for which we had data, while Food Stamp benefits totaled about $45 million, or 0.7 percent of all Food Stamp benefits paid by the five states in our review. Table 2 shows the benefits received by the naturalized citizens in each state we examined for the Medicaid, TANF, and Food Stamp programs.

Table 2: Recently Naturalized Citizens Receiving Medicaid, TANF, and Food Stamp Benefits by State in Calendar Year 1997

State		Medicaid	TANF	Food stamps
California	Recipients	81,686	20,079	27,349
	Benefits	$125,442,072	$27,758,412	$15,324,541
Florida	Recipients	17,591	1,737	16,537
	Benefits	$42,925,584	$2,691,765	$10,598,000
Illinois	Recipients	3,311	[a]	2,493
	Benefits	$10,572,484	[a]	$1,478,937
New York	Recipients	27,226	7,342	22,962
	Benefits	$121,601,682	$11,178,877	$13,254,328
Texas	Recipients	5,867	894	8,010
	Benefits	$16,676,456	$362,828	$4,126,632

Note: The number of recipients should not be totaled across programs because some recipients may have received benefits from more than one program.

[a]No data on TANF were usable because of formatting problems.

It is likely that the benefits received by the naturalized citizens in our review represent a substantial part of the total benefits received by all recently naturalized citizens in the four programs in 1997. This is because the SSI data we cite are national, and the states we examined represent about three-quarters of all immigrants nationwide who became citizens in

[18]Out of a total of 3.6 million citizens who were naturalized between 1970 and 1997, about 927,000 were naturalized recently (during fiscal years 1996 and 1997).

fiscal years 1996 and 1997. However, because our analysis is limited to benefits received during calendar year 1997, we are unable to comment on longer-term patterns of benefit receipt by naturalized citizens.

Agency Comments and Our Response

We provided a draft of this report to administrators at the federal agencies and states that supplied us with data, or that have administrative or oversight responsibility for the public assistance programs we discussed. These include the Administration for Children and Families in the Department of Health and Human Services (responsible for the TANF program); the Census Bureau in the Department of Commerce; Food and Nutrition Services in the Department of Agriculture (responsible for the Food Stamp program); the Health Care Financing Administration in the Department of Health and Human Services (responsible for the Medicaid program); INS in the Department of Justice; SSA (responsible for the SSI program); and California, Florida, Illinois, New York, and Texas. We received comments from program administrators at the Census Bureau, the Department of Health and Human Services, Food and Nutrition Services, INS, California, Florida, and New York.

Although our report cautions readers to consider the data limitations we discuss when interpreting the data, some program administrators raised concerns about these limitations, and why certain analyses were not done. For example, some program administrators questioned the validity of comparing the administrative data used for the recently naturalized citizens' receipt of public assistance benefits to the CPS-based data used for the native-born population's use of such benefits—a limitation we had discussed. Another commentor raised questions about the statistical significance of some of our findings.

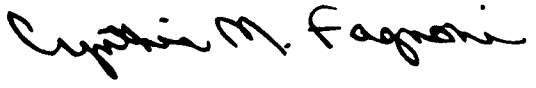
We have modified the report where appropriate to reflect some of these concerns, particularly with respect to the statistical significance of some of our findings. We were aware of the data limitations noted by these program administrators, and have sought to overcome these limitations throughout our review. Moreover, certain analyses were not possible because the necessary data were not available. Finally, we believe that we have fairly and accurately characterized the data and findings in our report and have provided the most accurate calculations possible given the quality and availability of the data.

Program administrators in SSA and the states of Illinois and Texas reviewed the report and told us that they did not have any comments.

We are sending copies of this report to the agencies who supplied data, provided comments, or have administrative or oversight responsibility for the public assistance programs discussed, and will make copies available to others upon request.

Please contact Jeremy Cox, Evaluator-in-Charge, or me at (202) 512-7215 if you have any questions concerning this report or need additional information. Other major contributors to this report are listed in appendix III.

Sincerely yours,



Cynthia M. Fagnoni
Director, Education, Workforce,
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Abbreviations

CIS	Central Index System
CPS	Current Population Survey
HCFA	Health Care Financing Administration
INS	Immigration and Naturalization Service
IRCA	Immigration Reform and Control Act of 1986
MSIS	Medicaid Statistical Information System
SSA	Social Security Administration
SSI	Supplemental Security Income
SSN	Social Security number
SSR	Supplemental Security Record
TANF	Temporary Assistance for Needy Families

Scope and Methodology

Introduction

To estimate the number of naturalized citizens receiving public assistance, we obtained data from several federal and state sources. We acquired data on individuals who were naturalized in fiscal years 1996 and 1997 from the Immigration and Naturalization Service (INS). In addition, SSA provided data (originating from a master database supplied by INS) that identified all individuals with valid Social Security numbers (SSN) who were naturalized between 1900 and 1996.[19] Together, the INS and SSA databases represent the universe of naturalized citizens in the country as of 1997 for whom we could find a valid SSN. We obtained individual-level public assistance data for four major programs: Supplemental Security Income (SSI), Temporary Assistance for Needy Families (TANF), Medicaid, and Food Stamps. We obtained SSI data from SSA and data for the three remaining programs[20] from five states[21]—California, Florida, Illinois, New York, and Texas—where about three-quarters of all the immigrants who were naturalized recently reside.

We matched naturalized citizen data against administrative records from the four public assistance programs to determine whether these individuals received benefits in calendar year 1997, and if so, the amount of benefits provided to them by the federal and state governments. We also compared our estimates of the naturalized citizens' rate of benefit use for each program against estimates we calculated from the Census Bureau's March 1998 Current Population Survey (CPS) for the native-born population's use of such benefits (for individuals aged 18 or older).[22] However, certain limitations in the data we used to estimate both naturalized and native-born citizens' use of public assistance should be noted. Our data include only those naturalized citizens for whom we could identify a valid SSN. As a result, our estimates may not be representative of the extent to which all naturalized citizens in the country use public assistance. In addition, our analysis of naturalized citizens' use of public assistance was based on administrative program data, whereas the CPS data we used to estimate the native-born population's use of such benefits are self-reported. Thus, because we compared estimates derived from

[19]INS originally prepared this master database for SSA to assist the agency in implementing provisions of the welfare reform act that affected noncitizens' eligibility for the SSI program.

[20]Medicaid data for California and Florida were obtained centrally from the Health Care Financing Administration's (HCFA) Medicaid Statistical Information System (MSIS). Also, New York Medicaid data are for fiscal year 1997, rather than calendar year 1997.

[21]Because of data limitations, we could not use TANF data from Illinois. As a result, our analysis of this program is limited to the four remaining states that provided us with data.

[22]We examined only native-born citizens 18 years or older because the population of naturalized citizens we examined consisted of individuals over 18 years—the minimum age for naturalization.

administrative data to estimates derived from self-reported survey data, the variation between the two populations' use of public assistance may differ somewhat. Moreover, because we have not controlled for possible variation in income and socioeconomic characteristics of the two populations, we could not determine the extent to which such variation may explain the differences we found in the two populations' receipt of benefits.

We tested the accuracy of the naturalized citizen and public assistance data used in our report with the appropriate federal and state agencies. In general, we found that our data were accurate.

Naturalized Citizen Data Provided by INS and SSA

To identify the number of immigrants who were recently naturalized (in fiscal years 1996 and 1997), we first obtained data on naturalized citizens from INS' Central Index System (CIS) and Redesigned Naturalization Application Casework System. The files provided by INS contained about 1.5 million unique records, which represented complete data for fiscal year 1996 and partial data for fiscal year 1997.[23] For each record, we obtained several pieces of information, including the naturalized citizen's name, date of birth, INS "A" (alien) number, naturalization date and location, as well as country of origin. We obtained valid SSNs for as many of these individuals as possible using SSA's Enumeration Verification System, which uses key variables (such as name and date of birth) to verify any SSNs provided with data entered into the system, or to determine a correct SSN if none is provided. Of the original 1.5 million records, we identified valid SSNs for 927,338 records.

To supplement the 1996 and 1997 data, we also obtained data from SSA on about 3.2 million individuals with valid SSNs who were naturalized between 1900 and 1996. The two files were combined, resulting in a master file of individuals with valid SSNs who were naturalized between 1900 and 1997. After we combined the two files, tested the accuracy of the data, and eliminated duplicate records, our population contained about 3.7 million individuals. We then eliminated all records prior to 1970,[24] which resulted in a final population of about 3.6 million naturalized citizens with valid

[23]Complete data for newly naturalized citizens in fiscal year 1997 were not available at the time of our review because not all INS field offices had provided their reports on newly naturalized citizens to INS headquarters. The offices that had not reported such data tended to be smaller, rural offices.

[24]According to INS officials, agency data on immigrants and naturalized citizens from 1970 forward may be more accurate than data from prior years due to the advent of the automated CIS. Therefore, they advised us to exclude immigrants who were naturalized before 1970 from our review. In doing so, we eliminated about 100,000 cases—about 3 percent of all immigrants with valid SSNs we identified.

SSNs who became citizens between 1970 and 1997.[25] Included in this population were about 343,000 naturalized citizens who originally were illegal immigrants and were granted amnesty under the Immigration Reform and Control Act of 1986 (IRCA). See appendix II for details on this subpopulation of IRCA-naturalized citizens.

Public Assistance Data Obtained From Federal and State Agencies

We calculated recently naturalized citizens' receipt of public assistance benefits using calendar year 1997 program administrative data. We obtained nationwide SSI benefit data from SSA's Supplemental Security Record (SSR), the central database used to administer the SSI program. We obtained TANF eligibility data from state agencies in California, Florida, and Texas, and payment data from New York. We also obtained Medicaid payment data for California and Florida from HCFA, and from state agencies in Illinois, New York, and Texas. Finally, we obtained Food Stamp eligibility data from California, Florida, Illinois, New York, and Texas.[26]

Identifying Naturalized Citizens Using Public Assistance Benefits

Our analysis of public assistance use by the 3.6 million naturalized citizens with valid SSNs in our review was limited to the SSI program because it is the only program in our review that has a national database containing information on all participants. As such, we asked SSA to match the population of 3.6 million cases against the SSR to determine the number of naturalized citizens using SSI nationally. Also, we matched the SSI data against two subgroups of naturalized citizens to compare their rates of benefit receipt: (1) the 927,338 immigrants who recently were naturalized in fiscal years 1996 and 1997 and (2) the remaining 2.7 million immigrants who were naturalized between 1970 and 1995. Nationwide matches of the other public assistance programs were impractical because these programs are administered by the states, and we lacked the nationwide data essential for our analysis. Instead, we focused on the five states, discussed above, where more than three-quarters of the recently naturalized citizens reside. We established a state of residence for the recently naturalized citizens in our review based on their location at the time they were naturalized (as indicated by a unique INS naturalization

[25]Included in the total population of 3.6 million were about 2.7 million immigrants who were naturalized between January 1970 and September 1995.

[26]The numbers of naturalized citizens we identified as using Food Stamp benefits and the total benefits paid to these individuals are our estimates based on states' program eligibility files. The total number of individuals we cite as receiving benefits is based on each state's estimate of the percentage of eligible individuals who actually participate in the program each month. Similarly, the total benefits attributed to these individuals are estimated based on the average payment per recipient in each state.

location code).[27] We matched all the recently naturalized citizens with valid SSNs against the TANF, Medicaid, and Food Stamp beneficiary databases provided to us by the states.

A match was considered valid if (1) the individual received benefits at some point in 1997 after the date of naturalization and (2) the INS location code indicated that the individual resided in the state. The following hypothetical case illustrates those two criteria. A comparison of our naturalized citizen data with state administrative records reveals 100 matches of individuals receiving benefits. Only 90 individuals received benefits after their date of naturalization. Moreover, only 85 of those 90 individuals displayed an INS location code for that state, so our final match count for the program in that state would be 85 individuals.

Calculation of Benefit Costs Incurred by the Federal and State Governments

We calculated the amount of benefits provided to the naturalized citizens by the federal and state governments over a 1-year period—calendar year 1997.[28] We obtained individual-level benefit payment data from the SSI program and from the Medicaid programs in each state. In other cases (such as California Food Stamp data and California, New York, and Texas TANF data), we used program eligibility data along with information on the average monthly benefit per individual to estimate the annual value of the benefits. As discussed, our analysis included only benefit payments that occurred in 1997 in the months following each individual's date of naturalization. For example, if an individual obtained Medicaid benefits for each month in calendar year 1997, and was naturalized in July 1997, we calculated the value of the benefits provided to that individual for the period of August through December. In addition, we calculated only the estimated value of the benefits provided to the naturalized citizens; program administrative costs were not included in our analysis.

[27]We lacked sufficient data to determine a state of residence for all 3.6 million naturalized citizens in our review.

[28]Medicaid data from New York were only available for fiscal year 1997.

Comparison of Administrative Data With CPS Data on Native-Born and Foreign-Born (Naturalized) Citizen Populations

We compared the naturalized citizens' use of public assistance benefits to data from the March 1998 CPS for the native-born population, as well as to 1998 CPS data for the foreign-born citizen (naturalized) population. These comparisons were conducted on the national level for the SSI program, and on the state level for the Medicaid and TANF programs for each state that provided data for our review.[29] Table I.1 compares our estimates of the recently naturalized citizens' use of these programs based on administrative data to our estimates based on CPS data for both the native-born and foreign-born citizen populations.

The estimates we provide have limitations. For example, our estimates of naturalized citizens' use of public assistance benefits are based solely on those individuals for whom we could identify a valid SSN. Therefore, the naturalized citizens in our review may not be representative of all naturalized citizens in the nation, and may not represent the level of public assistance received by all naturalized citizens. Moreover, the CPS data for the native- and foreign-born citizen populations' use of the three programs are survey projections based on statistical sampling. According to the Census Bureau, the CPS data are subject to certain factors that may affect the accuracy of such estimates, including (1) underreporting by the target population on questions concerning public assistance and (2) sampling error.

Underreporting of assistance means that survey respondents have failed to report receipt of assistance, have underreported the amount of assistance received, or have misclassified the assistance received. The Census Bureau notes that CPS survey respondents underreport their receipt of cash assistance from programs such as Aid to Families With Dependent Children or TANF (although estimates for SSI tend to be more accurate). Underreporting of noncash benefits such as food stamps is also evident, although the extent to which this occurs has been more difficult to assess, according to the Census Bureau.

[29]We could not compare the naturalized and native-born citizens' use of the Food Stamp program because the CPS data we analyzed only contained household-level data.

Table I.1: Comparison of Administrative Data and CPS Data

		Program data	CPS-based data	
Program	Source of data	Percentage of recently naturalized citizens receiving benefits	Percentage of native-born citizens receiving benefits	Percentage of foreign-born (naturalized) citizens receiving benefits
SSI[a]	National	8.3	2.4	3.2
Medicaid[b]	Calif.	23.7	8.2	8.7
	Fla.	18.7	6.2	8.3
	Ill.	7.5	6.0	2.9
	N.Y.[c]	17.3	9.6	11.9
	Tex.	9.6	6.1	8.9
TANF[b]	Calif.	5.8	2.0	1.2
	Fla.	1.8	1.1	0.9[d]
	N.Y.	4.7	2.2	1.8
	Tex.	1.5	1.2	1.1

[a]GAO's estimate for the SSI program is based on all 3.6 million naturalized citizens with valid SSNs who were naturalized since 1970.

[b]GAO's estimate for Medicaid and TANF programs is based on 927,338 naturalized citizens with valid SSNs who were naturalized during fiscal years 1996 and 1997. TANF data for Illionis were not available for our review.

[c]New York Medicaid data are for fiscal year 1997 rather than calendar year 1997.

[d]Estimate is based on March 1997 CPS, which reflects responses about receipt of public assistance benefits in calendar year 1996.

The CPS uses a sample of the population to estimate the characteristics of both the native-born and foreign-born populations; therefore, our CPS-based estimates of benefit use by these populations have degrees of imprecision known as standard errors associated with them. A standard error is a measure of the variation that may occur by chance because a sample, rather than the entire population, was analyzed. The size of the standard error reflects the imprecision of the estimate. The smaller the standard error, the more precise the estimate. The standard error can be used to calculate a confidence interval around each estimate that indicates the degree of imprecision in that estimate. For each of our CPS-based estimates, we calculated a 95-percent confidence interval. This means that there is a 95-percent chance that the actual population percentage of interest falls within that interval (see table I.2). The Food Stamp program is excluded because the CPS does not collect information on individuals' use of these benefits.

Table I.2: Confidence Intervals Associated With CPS-Based Estimates of Public Assistance Receipt

Numbers in Percent

Source of data	Native-born	Foreign-born
SSI (national)		
SSA	2.4 (2.2 to 2.6)	3.2 (1.9 to 4.5)
Medicaid		
Calif.	8.2 (7.9 to 8.5)	8.7 (4.1 to 13.3)
Fla.	6.2 (4.6 to 7.8)	8.3 (2.1 to 14.5)
Ill.	6.0 (4.3 to 7.7)	2.9 (1.3 to 5.6)
N.Y.	9.6 (7.9 to 11.3)	11.9 (6.1 to 17.7)
Tex.	6.1 (4.6 to 7.6)	8.9 (0.2 to 17.6)
TANF		
Calif.	2.0 (1.2 to 2.8)	1.2 (0.7 to 1.8)
Fla.	1.1 (0.4 to 1.8)	0.9 (0.3 to 2.1)[a]
N.Y.	2.2 (1.3 to 3.1)	1.8 (1.1 to 2.8)
Tex.	1.2 (0.5 to 1.9)	1.1 (0.2 to 2.8)

[a]Estimate and standard error based on data from March 1997 CPS, which reflects responses given for TANF use in calendar year 1996.

Data Verification

To test the accuracy of the data used in our analysis, we obtained independent verification from INS and each state that provided us with public assistance data.[30] To verify the INS data on naturalized citizens, we selected a random sample of 50 records and compared the electronic data to data from each individual's certificate of naturalization. Similarly, to verify the data from the state public assistance programs, we selected a random sample of 30 cases per program in each state.[31] We supplemented each random sample with five judgmentally selected cases, focusing on very large payment amounts. We asked the states to verify the accuracy of specific identifying variables, including name, SSN, and date of birth, as well as the benefits paid to each individual in the sample.

The results of our verification process indicate that, overall, the data were accurate. INS confirmed the citizenship status of all 50 cases we sent them. With respect to the state public assistance data, we found only one case in which the identity of an individual was in question. A small number of additional cases displayed surnames that did not match. However, upon

[30]We did not ask SSA to verify the SSI data we used because they are subject to SSA's internal verification procedures.

[31]Food Stamp data were verified by our Kansas City Regional Office.

review, state officials determined that in each case it was the same individual; discrepancies were attributed to changes in marital status, or the "Americanization" of certain surnames. With respect to benefit payments, overall, state officials concurred with the accuracy of the data. Some discrepancies were found in the payment amounts we estimated for a limited number of cases in the random samples verified by the states. State officials indicated that such discrepancies were attributable to a number of factors, including differences in the dates on which calculations were made.

In four cases for the Medicaid program in Florida, some of the HCFA data we used showed benefits to be substantially lower than the state records indicated. Florida officials attributed these differences to apparent discrepancies between the MSIS data reported to HCFA that we used for our review and the state records used to verify our sample of cases. Therefore, the payments for Medicaid services received by naturalized citizens in Florida could be higher than our estimate.

Benefit Use by Immigration Reform and Control Act of 1986 Naturalized Citizens

We examined the portion of the naturalized citizen population composed of formerly illegal aliens who were granted amnesty under the Immigration Reform and Control Act of 1986 (IRCA). This act was passed in an effort to stem the flow of illegal aliens into the United States, and adopted two strategies to accomplish this objective: (1) sanctions against employers who knowingly hire illegal aliens and (2) enhanced border enforcement to slow the flow of illegal aliens entering the country. In addition, IRCA legalized the status of illegal aliens who met certain requirements. Overall, about 2.7 million illegal aliens who demonstrated that they had resided continuously in the United States since before January 1, 1982, were granted legal permanent resident status under IRCA. In 1994, the first of the IRCA immigrants became eligible for naturalization. Moreover, the IRCA immigrants have represented an increasing proportion of all the immigrants naturalized each year between 1994 and 1997. As such, the IRCA immigrants have apparently contributed to the increase in the overall number of naturalizations since the mid-1990s. We analyzed this group's receipt of public assistance benefits separately from all other naturalized citizens to determine how their rate of benefit receipt compared to their overall representation in the population of recently naturalized citizens.

Of the total group of 927,338 recently naturalized citizens with valid SSNs, we found that 274,309 (29.6 percent) were IRCA-naturalized citizens. The percentage of the IRCA-naturalized citizens who received some form of public benefit varied from state to state. However, overall, the proportion of IRCA-naturalized citizens receiving benefits—as well as the amount of benefits they received—was somewhat lower than their representation in the population of recently naturalized citizens.

Supplemental Security Income

Out of the 76,823 recently naturalized citizens we identified who received Supplemental Security Income (SSI) benefits in calendar year 1997, we found that 5,181 (6.7 percent) were IRCA-naturalized citizens. IRCA-naturalized citizens made up a relatively small proportion of all recently naturalized SSI recipients we identified. In total, these IRCA-naturalized recipients were paid about $21 million in benefits during this period, or roughly 6.3 percent of the $331 million in benefits paid to all recently naturalized citizens during 1997. Thus, the benefits received by the IRCA-naturalized citizens were roughly proportional to their representation in the population of all recently naturalized citizens who received benefits in this program (see table II.1).

Medicaid

We found that 28,884 (21.3 percent) of the 135,681 recently naturalized citizens we identified receiving Medicaid benefits in five states—California, Florida, Illinois, New York, and Texas—were IRCA-naturalized citizens. The majority of these individuals (21,737) resided in California, with the smallest number (789) living in Illinois. Overall, these IRCA-naturalized citizens received $43 million (13.6 percent) of the $317 million received by all recently naturalized citizens. Thus, the proportion of benefits the IRCA-naturalized citizens received was somewhat lower than their representation in the five-state population of recently naturalized Medicaid recipients (see table II.1).

TANF

Of the 30,052 recently naturalized individuals we identified as receiving TANF benefits in four states—California, Florida, Texas, and New York—we found that 8,233 (27.4 percent) were IRCA-naturalized citizens. The greatest number of these individuals (6,371) resided in California, with the smallest number (429) living in Texas. Overall, these IRCA-naturalized citizens received almost $10.5 million (25 percent) of the total $42 million in TANF paid to all recently naturalized citizens in our review. As such, the proportion of benefits received by these individuals is almost the same as their representation in the four-state population of all recently naturalized TANF recipients (see table II.1).

Food Stamps

Of the 77,351 recently naturalized individuals we identified as receiving Food Stamp benefits in all five states, we found that 18,178 (23.5 percent) were IRCA-naturalized citizens. Similar to the pattern exhibited in the population of IRCA Medicaid recipients, the majority (9,837) lived in California, and the smallest number (696) lived in Illinois. Overall, these IRCA recipients obtained $9.2 million (20 percent) of the Food Stamp benefits paid to all naturalized citizens in our review. Similar to the pattern in other programs, the amount of Food Stamp benefits received by these IRCA individuals is roughly proportional to their representation in the population of all recently naturalized citizens receiving such benefits (see table II.1).

Table II.1: Benefits Received by IRCA-Naturalized Citizens in 1997

Program	Source of data	Number of recipients	Total benefits (millions of dollars)[a]	Percentage of all recently naturalized recipients	Percentage of all recently naturalized recipient benefits
SSI	National	5,181	$20.8	6.7	6.3
Medicaid	Calif.[b]	21,737	22.5	26.6	17.8
	Fla.[b]	1,704	3.1	9.7	7.2
	Ill.	789	2.0	23.8	18.6
	N.Y.[c]	3,176	11.7	11.7	9.6
	Tex.	1,478	4.1	25.2	24.6
Subtotal		28,884	43.4	21.3[d]	13.6[d]
TANF[e]	Calif.	6,371	8.2	31.7	29.6
	Fla.	442	0.6	25.4	24.0
	N.Y.	991	1.5	13.5	13.2
	Tex.	429	0.2	48.0	46.5
Subtotal		8,233	10.5	27.4[d]	25.0[d]
Food stamps[e]	Calif.	9,837	5.1	36.0	33.4
	Fla.	1,935	1.0	11.7	9.3
	Ill.	696	0.3	27.9	23.5
	N.Y.	2,480	1.3	10.8	9.9
	Tex.	3,230	1.4	40.3	34.0
Subtotal		18,178	9.2	23.5[c]	20.5[c]
Total			**$83.9**		

[a]Sum of entries may not total because of rounding.

[b]Medicaid data for California and Florida were obtained from HCFA's Medicaid Statistical Information System.

[c]Medicaid data for New York are for fiscal year 1997.

[d]Average across the states that provided data for this program.

[e]Food Stamp and TANF data are estimates based on average payment per recipient, per month.

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