



STATE OF NEW YORK

EXECUTIVE CHAMBER

ALBANY 12224

I. Overview of the Significant Impact of a “Public Charge” Regulatory Change on New York State

This document describes the potential impact of revisions to the “public charge” rule on New York State by providing an overview of immigrant households in New York State and reviewing several specific program areas that are likely to be severely and negatively impacted by the proposed rule.¹ As a result of New York State’s significant immigrant population and the large enrollment and impact of the programs described below, we estimate that the proposed rule will have an economically significant impact well in excess of \$100 million. We urge the United States government not to expand the scope of the “public charge” evaluation because such expansion will cause irreparable harm to New York State, will impair the State’s constitutional obligations to care for the needy, and will, and already has, discouraged those who need State services most from seeking aid.

a. *Immigrants and Immigrant Households in New York*

• New York State has a Large Immigrant Population

- In 2016, there were 4,442,247 immigrants in New York State, accounting for 23 percent of the state’s total population.² Over half of New York’s immigrants have been naturalized (i.e. become citizens), and around 900,000 are not naturalized yet but are eligible to do so.
- In total, “immigrant households” in New York, meaning households headed by a person born not in the U.S., make up 26 percent of the state’s households.³ In New York, 30

¹ The list provided in this document is not exhaustive and when the final rule is released, additional programs are likely to be impacted.

² As used in this section, the term “immigrant” refers to a person who was born outside of the U.S. and not to U.S. citizen parents. This term includes naturalized citizens. In other sections of this document, the term “non-citizen” is used because only individuals with certain non-citizen statuses are eligible for State or federal benefits or services. Accordingly, for purposes of readability, after this section, the term non-citizen will be used to describe any individual who is not a citizen of the United States who is currently in receipt of benefits or services.

³ U.S. Bureau of Census American Community Survey 1-Year PUMS files

percent of American-born children have at least one immigrant parent. In New York City it is closer to 50 percent.⁴

- **Immigrant Families in New York State**

- Many of the New Yorkers living in households that are headed by an immigrant are children under age 18.⁵ Children make up 5 percent (or 212,112) of “immigrant household” members in New York State.⁶ These children constitute 5 percent of all children in New York.⁷
- In FY 2017, nearly half (46 percent) of the new arrivals to the U.S. were immediate relatives of U.S. citizens, and another 38 percent were other family-sponsored immigrants. Similarly, among those seeking adjustment of status, nearly half (48 percent) were family-based immigrants.⁸

- **Immigrant Households’ Significant Economic Impact on NYS**

- 60 percent of all adults in immigrant households were employed in 2016.⁹ This means that over one quarter (28 percent or 2.6 million workers) of New York State’s workforce are immigrants.¹⁰
- In New York, the labor force participation rate for immigrants is 65 percent, which is higher than the state’s total labor force participation rate for the state of 63 percent.¹¹
- In New York, immigrants are employed in every major industry sector.¹² The education and health services sectors employ the largest number of immigrants.¹³
- “Immigrant households” strengthen the economy with a spending power of \$103.3 million.¹⁴ In 2016, they paid \$26.5 billion in federal taxes and \$15.9 billion in state and local taxes.¹⁵
- 29.4 percent of business owners in New York are foreign-born and \$20.6 billion in total net business income is generated by immigrant businesses.¹⁶ Latinos and Asians compose 26.3 percent of the immigrant population in New York and also enjoy a purchasing power of \$165 billion.¹⁷

II. Negative Economic Impacts from a Decline in All Social Safety Net Programs in New York State

This section details the individual program impacts of the proposed public charge rule. With respect to each program it is clear that the proposed public charge regulations will have real consequences for these immigrant

⁴ https://www.osc.state.ny.us/reports/immigration/immigration_2016.pdf

⁵ U.S. Bureau of Census American Community Survey 1-Year PUMS files

⁶ U.S. Bureau of Census American Community Survey 1-Year PUMS files.

⁷ U.S. Bureau of Census American Community Survey 1-Year PUMS files

⁸ Jeanne Batalova, Michael Fix, and Mark Greenberg, “Chilling Effects: The Expected Public Charge Rule and Its Impact on Legal Immigrant Families’ Public Benefits Use” (Washington, DC: Migration Policy Institute, 2018), p. 13

⁹ U.S. Bureau of Census American Community Survey 1-Year PUMS files

¹⁰ U.S. Bureau of Census American Community Survey 1-Year PUMS files.

¹¹ U.S. Bureau of Census American Community Survey 1-Year PUMS files

¹² U.S. Bureau of Census American Community Survey 1-Year PUMS files

¹³ https://www.osc.state.ny.us/reports/immigration/immigration_2016.pdf

¹⁴ U.S. Bureau of Census American Community Survey 1-Year PUMS files

¹⁵ American Immigration Council Fact Sheets. See, <https://www.americanimmigrationcouncil.org/research/>

¹⁶ U.S. Bureau of Census American Community Survey 1-Year PUMS files

¹⁷ New York State’s Office of New Americans (ONA) Fact Sheets

households, which will also in turn have real impacts on New York's economy. This proposed rule will have an economically significant impact in excess of \$100 million.

a. Economic Loss Due to Declining Health Care Coverage – Medicaid, Children's Health Insurance Program (CHIP), Basic Health Program (Essential Plan) and Qualified Health Plans.

- **Negative Economic Impact of Declining Healthcare Coverage Generally**
 - Since implementing the ACA, New York has reduced the number of uninsured by nearly one million people. Under the new rule immigrants lawfully residing in New York State will risk their immigration status if they or their dependents enroll in health insurance. Tying immigration status to public health care coverage will undermine participation in health care plans which has been a major source of cost savings to New York State.
- **Negative Economic Impact of Decline in Medicaid and CHIP Participation**
 - Nearly 700,000 non-citizens enrolled in Medicaid or CHIP would be impacted if the public charge regulations are promulgated, including 675,425 in Medicaid and 12,000 in CHIP.¹⁸
 - Additional non-citizens with citizen children who access these benefits would also be impacted. If these individuals discontinue Medicaid and CHIP coverage they are likely to become uninsured, triggering grave consequences to their health and the health of their children. These individuals, if uninsured, would seek care at later stages of illness and at much higher costs, creating stress on hospitals and clinics that provide care to the uninsured. These impacts would be costly to New York State and run directly contrary to our constitutional mandate to provide aid, care, and support of the needy.
- **Negative Economic Impact of Decline in Health Plan Participation**
 - The proposed public charge rule, if implemented, would impact 293,000 lawfully present individuals and families receiving premium tax credits through the Health Insurance Marketplace to purchase either an Essential Plan or a Qualified Health Plan. Faced with the consequence of being deemed a "public charge," many of these individuals may drop coverage and become uninsured.
 - The effects of this proposed policy are catastrophic for New York and, if implemented, might undo the tremendous progress that New York has made in reducing the uninsured rate from 10 percent in 2013 to 5 percent in 2017. In turn, loss of health care coverage significantly increases uncompensated health care costs.
 - For example, from 2013 to 2015, hospitals reported uncompensated care costs for uninsured persons dropped by \$291 million, while the number of uninsured emergency visits dropped 23 percent. The number of uninsured inpatient hospital stays also decreased by 38 percent during the same period, and the number of uninsured hospital outpatient services decreased by 17 percent. The increase in

¹⁸ It is the view of New York State that any non-citizen enrolled in an affected program is at risk of the chilling effects that this proposed rule may have, notwithstanding distinctions related to differing legal thresholds for adjustment of status vs. deportation analyses and related issues regarding specific immigration statuses (i.e. LPRs are included in the "non-citizen" category above and in our view LPRs are equally likely to drop out of benefits programs for fear of the deportation aspect of the public charge rule, notwithstanding that LPRs have already achieved adjustment of status).

uncompensated health care costs this “public charge” policy could well amount to hundreds of millions of dollars.

b. The Negative Economic Impact of Decline in New York State Residents’ Participation in Special Supplemental Nutrition Program for Women, Infants, and Children (WIC)

The Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) is a short-term, public health intervention that provides high quality, low cost foods through a retail delivery system to pregnant and postpartum women, infants and children. WIC also provides nutrition assessment and education, breastfeeding support, health screening and referrals.

If receipt of WIC is included in the determination of qualifying as a “Public Charge” there will be the following impacts:

- 114,955 women (40,866 of whom are pregnant), 113,431 infants and 257,079 children are enrolled in WIC (485,465 total).¹⁹ New York State’s WIC does not collect information on immigration status. By using a proxy measure, it is estimated that of these, 54,712 are non-citizens, 4,606 of whom are pregnant women, who could lose, or choose to not seek, WIC services.²⁰
- \$48.6 million in federal WIC food funds and revenue per year would be lost to local economies in New York if these 54,712 non-citizens receiving an average monthly food benefit of \$74 per month choose not to participate.
- Health care costs would go up. For every \$1 spent on a pregnant woman by WIC, \$4.21 is saved in health care costs, which means this rule would increase health care costs by \$17.2 million.
- Total impact would equate to \$65.8 million (\$48.6 million plus \$17.2 million).
- With respect to families who are comprised of a non-citizen parent (or parents), but whose children are U.S. citizens, our policy experts expect a decline in those U.S. children attending WIC clinics to receive essential benefits. The large number of families in New York who are headed by a non-citizen but who have children who are U.S. citizens will be negatively impacted by this rule.

WIC also improves birth outcomes, supports breastfeeding and reduces childhood obesity. Women and children who receive WIC services are healthier, have better diets and are more likely to get other needed services such as immunizations.

- WIC reduces the risk of adverse birth outcomes including infant mortality, premature birth, and low birth weight.
- WIC supports breastfeeding mothers and as a result, New York WIC has one of the highest breastfeeding initiation rates in the country. Breastfeeding infants have fewer hospitalizations, lower pharmacy costs and fewer doctor visits.
- Infants breastfed for 3 months are 30 percent less likely to have type 1 diabetes.

A declining number of non-citizen mothers participating in WIC will result in negative consequences for their U.S. citizen children.

WIC provides Low-income children with multiple additional health benefits as they grow older.

- Children enrolled in WIC are less likely to have anemia than those not in WIC.

¹⁹ The number of enrollees is data recorded as of June 2018

²⁰ To calculate the WIC enrollment impact, we used the percentage of non-citizen enrollment in the New York State of Health marketplace (11.27 percent) as a proxy to arrive at an estimated number of non-citizens participating in WIC who could be impacted by the rule

- Children who participate in WIC are also more likely to be immunized than children who drop out.
- For children and families, WIC participation improves the consumption of fruits, vegetables, whole grains and low-fat dairy.
- Children whose mothers participate in WIC while pregnant score higher on cognitive development assessments, an effect that persists into school age. Early and targeted nutrition intervention leads to cost-savings in the future.
- WIC's preventive health benefits address childhood obesity, anemia, iron deficiency, and other health indicators that could lead to more significant conditions as children mature into adults.

Declining participation in WIC will be a result of the new public charge rule, and this decline in WIC participation will have additional deleterious effects that will be long lasting for families and costly for New York State's public health system. These impacts would run directly contrary to our constitutional mandate to provide aid, care, and support of the needy.

c. The Negative Economic Impact of Decline in New York State Residents' Participation in Supplemental Nutrition Assistance Program (SNAP):

SNAP is the cornerstone of the Nation's nutrition assistance safety net providing food to persons in need throughout the United States. In New York, SNAP has an economic multiplier effect: every dollar in new SNAP benefits results in approximately \$1.79 in increased economic activity for New York State.²¹

- In June 2018, 308,000 non-citizen New York residents were enrolled in SNAP, of which 48,000 were children.
- If 20 percent of non-citizens leave SNAP in the wake of the Public Charge rule's implementation, the reduction in SNAP benefits coming into New York State would be \$144 million annually.²³
- Evaluating the downstream economic effect of these lost SNAP dollars shows that even a 20 percent reduction SNAP participation and dollars would result in New York State losing \$259 million in economic activity.
- A decline in SNAP participation would also have detrimental downstream effects for retail food suppliers and local farmers in New York State.

Access to adequate nutrition and healthier food through the receipt of benefits such as SNAP benefits, is associated with positive health outcomes.²² Any disincentive to receiving SNAP benefits is likely to have long-term consequences on the general health and welfare of eligible non-citizen individuals and families, and result in additional costs to providers and New York. These potential impacts would be costly to New York State and run directly contrary to our constitutional mandate to provide aid, care, and support of the needy.

d. The Negative Economic Impact of Decline in New York State Residents' Participation in Home Energy Assistance Program (HEAP):

HEAP helps low-income households meet their immediate energy needs. In New York, winter and summer temperature extremes create critical health and safety concerns that are especially acute for low-

²¹ <https://www.ers.usda.gov/publications/pub-details/?pubid=44749>

²² <https://www.cbpp.org/research/food-assistance/snap-is-linked-with-improved-nutritional-outcomes-and-lower-health-care>

²³ Jeanne Batalova, Michael Fix, and Mark Greenberg, "Chilling Effects: The Expected Public Charge Rule and Its Impact on Legal Immigrant Families' Public Benefits Use" (Washington, DC: Migration Policy Institute, 2018), p.4

income households, including those with non-citizens. Accordingly, any disincentive to apply for HEAP places low-income households at risk, particularly those households with older adults, children, or other vulnerable family members. These impacts would ultimately be costly to New York State and run directly contrary to our constitutional mandate to provide aid, care, and support of the needy.

- In Federal Fiscal Year 2017-18, a total of 1.3 million households received benefits through the HEAP program.
- By using an 11 percent proxy measure, nearly 143,500 non-citizen New York households could be estimated to receive HEAP.
- If 20 percent of non-citizens leave HEAP in the wake of the Public Charge rule's implementation, approximately 29,000 households would not be able to access vital heating, cooling and weatherization services supported by HEAP.

e. The Negative Economic Impact of Decline in New York State Residents' Participation in Public Assistance (PA) (Temporary Assistance for Needy Families (TANF) and Safety Net Assistance (SNA)) and Supplemental Security Income (SSI)/State Supplementation Program (SSP)

New York State Residents Robust Program Participation:

PA is critical to helping individuals and families obtain and maintain stable housing and to advance economically.

- In New York State, approximately 59,000 non-citizens receive PA, of which 9,500 are children.

The income received from SSI and/or SSP is critical to support vulnerable aged and disabled residents of New York State.

- Approximately 59,500 non-citizens receive SSI/SSP and an additional 7,300 non-citizens receive SSP only.
- If 20 percent of non-citizens left the SSI/SSP program, the reduction of SSI coming into New York State would be \$74 million annually.

The Negative Economic Impact of a Decline in New York State Residents' Participation in PA and SSI:

- Under the current policy, the fact that a close relative has become or is likely to become a public charge through *primary dependence* on PA (either TANF dollars, SNA from State/local dollars, or receipt of SSI) would not typically be considered in the public charge consideration of a non-citizen, unless it is the sole source of income for the household.
- The proposed rule would change this such that receipt of TANF, SNA and/or SSI benefits by a non-citizen's dependents would be considered in the public charge determination for the non-citizen, even if the non-citizen is not the direct recipient of the benefit.
- The current policy takes into account the totality of the person's circumstances in making a public charge determination and allows non-citizens who are currently receiving TANF, SSI or SNA not to be considered a public charge, provided that they are not solely reliant upon benefits for income maintenance. The new public charge rule may categorize recipients of TANF, SNA and/or SSI, as well as their dependents as a public charge.

This new public charge rule creates a major disincentive for individual New Yorkers and their families to utilize these critical programs. This kind of disincentive would ultimately be extremely costly to New York State.

f. Negative Economic Impacts of a Decline in New York State Residents' Participation in Free and Reduced-Price meals for public K-12 schools.

New York State does not collect immigration status on children. However, based on the statewide rate of 53 percent of all children eligible for free and reduced price lunch, and the fact that according to Census data 960,000 school aged children in New York have at least one non-citizen parent, our imputed population is approximately 500,000 students in grades K-12 who would be implicated by any changes to this program. While 5 percent (200,000) of children in New York are foreign born themselves, 30 percent of New York's K-12 population has at least one non-citizen parent. Child hunger is often associated with lower grades, higher rates of absenteeism, repeating a grade, and an inability to focus among students, according to the Centers for Disease Control and Prevention.

III. Conclusion: The Proposed Public Charge Rule Will Be Costly for New York State

The proposed draconian expansion in scope and reach of "public charge" rules will undoubtedly lead to hunger, lack of medical care, loss of economic self-sufficiency, and homelessness. This proposal will increase downstream costs on taxpayers, irreparably harm our economy, and compromise the health and safety of our communities. These serious consequences will also create a significant economic burden on the state, and will adversely affect state and local government agencies charged with administering these programs and serving our communities including schools and universities, child welfare agencies, public housing authorities, public health systems and hospitals. The impact and costs associated with such a rule would be well in excess of the \$100 million threshold for when a rule would have an impact on the economy. We urge you to prevent this rule from advancing to the "proposed rulemaking" stage.

WE WORK FOR THE PEOPLE

PERFORMANCE * INTEGRITY PRIDE

printed  on recycled paper