



SOCIAL SECURITY

Office of the Commissioner

JUN 2 2000

The Honorable Albert Gore, Jr.
President of the Senate
S-212 Capitol Building
Washington, DC 20510

Dear Mr. President:

Enclosed for the consideration of the Congress is the Administration's draft bill to make amendments to the Supplemental Security Income (SSI) program in support of the President's fiscal year 2001 budget with respect to the Social Security Administration. Upon enactment, the bill would be cited as the "Social Security Administration Fiscal Year 2001 Budget Support Act."

Section 2 of the draft bill would restore SSI eligibility to certain immigrants who lawfully enter the United States after August 22, 1996. With the help of the Congress, cash benefits under the Supplemental Security Income (SSI) program and medical assistance under Medicaid have been restored to virtually all noncitizens who were receiving such benefits and to disabled qualified noncitizens who were lawfully residing in the United States on August 22, 1996, the date of enactment of the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA).

Under the proposal, SSI benefits would be provided to low-income immigrants who become blind or disabled after they enter the country. SSI benefits also would be provided to children who enter the country with a disability. This proposal would provide SSI benefits to an estimated 53,000 legal immigrants by FY 2005. In addition, because the receipt of SSI benefits confers Medicaid eligibility in most States, this proposal would extend Medicaid benefits to legal immigrants made eligible for SSI. The immigrants' sponsors would be held responsible for the first five years the immigrants are in the United States, and after the five year period would continue to be liable for reimbursement of SSI benefits provided the immigrants unless the sponsors suffer financial hardship.

The President's budget proposal recognizes that most immigrants enter the United States with the expectation of becoming self-sufficient, but that a debilitating illness or injury that prevents continued work could leave them with no means of support.

Similarly, the proposal recognizes that many children with congenital disabilities or injuries or diseases that occur before they turn age 18 may never be able to work at a level allowing them to be self-sufficient.

Section 3 of the draft bill would repeal the provision in the "Balanced Budget Act of 1997," which requires the SSI payment for October 2000 to be made on October 2, 2000. (SSI payments are made to eligible individuals on the first day of the month or the last business day if the first falls on a holiday or weekend.) Restoring the regular SSI payment date for October 2000 would help prevent hardship to SSI beneficiaries who may be depending on receiving their checks on the regular payment date. This proposal also eliminates the provision in the Balance Budget Act of 1997 that delays the delivery date for veterans' benefits for October 2000.

Section 4 of the draft bill would accelerate the effective date of the provision in the "Ticket to Work and Work Incentives Improvement Act of 1999" regarding the reimbursements of State supplementary payments from October 2009 to October 2002. Currently, there are 26 States that contract with SSA to administer their State supplementary payment programs. These States must reimburse SSA within 5 business days after the monthly supplementation payments have been made by SSA. Under the proposal, for months after September 2002, a State that has an agreement with the Commissioner for Federal administration of State supplementary payments would be required to remit the payments and fees required of them no later than the business day preceding the SSI payment date. SSI and State supplementary payment beneficiaries would not be affected by the proposal.

The Omnibus Budget Reconciliation Act requires that all revenue and direct spending legislation meet a pay-as-you-go (PAYGO) requirement. That is, no bill should result in a net budget cost; and if it does, it could contribute to a sequester if it is not fully offset. The shift in the October 2000 benefit pay date would increase spending by \$3.99 billion in FY 2000, but would result in savings of \$3.99 billion in FY 2001. According to the Office of Management and Budget, in the final sequestration report these amounts would be added together yielding a net change of zero. Aside from this provision, this draft bill would increase spending by a total of \$1.22 billion, in combined SSI and Medicaid costs, during FY's 2001-2005 and is therefore subject to the PAYGO requirement.

These proposals are fully offset in the President's Budget and should be considered in conjunction with all other proposals in the Budget. The Administration will work closely with the Congress on this and other PAYGO legislation to avoid a sequester of mandatory programs.

The Office of Management and Budget has advised that there is no objection to the transmittal of this draft bill to the Congress and that its enactment would be in accord with the program of the President. We urge the Congress to give the draft bill prompt and favorable consideration.

I am sending an identical letter to the Honorable J. Dennis Hastert, Speaker of the House.

Sincerely,

A handwritten signature in black ink that reads "Kenneth S. Apfel". The signature is written in a cursive style with a large initial 'K'.

Kenneth S. Apfel
Commissioner
of Social Security

Enclosure



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Speaker of the House
United States House of Representatives
Washington, DC 20515

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Kenneth S. Apfel
Commissioner
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Enclosure

Section-by-Section Description of the "Social Security Administration Fiscal Year 2001 Budget Support Act"

Short Title

Section 1 of the bill provides the short title, the "Social Security Administration Fiscal Year 2001 Budget Support Act"

Supplemental Security Income Eligibility for Certain Disabled Aliens

Section 2 would provide SSI and related Medicaid eligibility for two groups of qualified aliens who are lawfully admitted to the United States after August 22, 1996, and live in the United States for 5 years: children with disabilities who apply for benefits before age 18 or within 6 months after their 5-year bar elapses; and individuals aged 18 or older who become disabled after their entry. While the current-law 5-year bar on immigrant eligibility for Federal means-tested benefits would remain in effect, the current-law provisions requiring deeming of sponsor's income and resources, and sponsor reimbursement of benefits provided to immigrants, would be modified under the proposal for sponsors of immigrants made eligible by the proposal.

The provisions would be effective with respect to benefits payable for months after enactment but only on the basis of applications filed on or after the date of enactment.

Restoring the October 2000 Supplemental Security Income and Veterans Administration Benefit Payments to the Appropriate Year

Section 3 would repeal the provision in the "Balanced Budget Act of 1997," which requires the SSI and VA payments for October 2000 to be made on October 2, 2000. Generally, SSI and VA payments are made on the first day of the month. Current law, which applies to all months but October 2000, provides that if the first day of a month is Saturday, Sunday, or a holiday, the SSI and VA payments are made on the last business day in the preceding month. October 1, 2000 falls on a Sunday. Repeal of the provision would restore the regular SSI and VA rules so that the SSI and VA payments for October would be made on the preceding Friday, September 29, 2000.

Acceleration of Effective Date of Provision Altering the Schedule for Payments Under Supplemental Security Income State Supplementation Agreements

Section 4 would change only the effective date of the provision in the "Ticket to Work and Work Incentives Improvement Act of 1999" regarding State supplementation from "for months after

September 2009" to "for months after September 2002." Under the current-law provision, effective for months after September 2009, a State that has entered into an agreement with the Commissioner for Federal administration of State supplementary payments would be required to remit the payments and fees required of them no later than the business day preceding the SSI payment date.

(With respect to State supplementary payments paid for the month which is the last month of the State's fiscal year, the fifth business day following the SSI payment date.) Also provides that the SSA Commissioner may charge States a penalty of 5 percent of the payment and fees due if the payment is received after the specified dates.

A B I L L

to make various amendments in support of the President's Fiscal Year 2001 Budget Respecting the Social Security Administration.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Social Security Administration Fiscal Year 2001 Budget Support Act".

SEC. 2. SUPPLEMENTAL SECURITY INCOME ELIGIBILITY FOR CERTAIN DISABLED ALIENS.

(a) In General.--Section 402(a)(2) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1612(a)(2)) is amended by adding at the end a new subparagraph as follows:

"(L) Certain disabled aliens who enter the United States after August 22, 1996.--With respect to eligibility for benefits for the program defined in paragraph (3)(A) (relating to the supplemental security income program), paragraph (1) shall not apply to a qualified alien--

"(i) who is admitted or paroled into the United States after August 22, 1996;

"(ii) who is blind or disabled, as defined in section 1614(a)(2) or 1614(a)(3) of the Social Security Act (42 U.S.C. 1382c(a)(2) or 1382c(a)(3), respectively); and

"(iii) whose onset date of such blindness or disability--

"(I) precedes attainment of age 18, in the case of

an individual who files an application for such benefits prior to attainment of such age (or, in the case of an individual who attains such age within the period described in section 403 of the Personal Responsibility and Work Opportunity Reconciliation Act (P.L. 104-193), within 6 months following the expiration of such period); or

"(II) in the case of any individual not covered by subclause (I), follows the date of the individual's admission or parole to the United States."

(b) Related Amendments.--

(1) Exception to sponsor deeming.--Section 421(b) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1631(b)) is amended--

(A) in paragraph (1), by striking "or";

(B) in paragraph (2), by striking the period and inserting "; or"; and

(C) by adding at the end the following:

"(3) is blind or disabled, as defined in section 1614(a)(2) or 1614(a)(3) of the Social Security Act (42 U.S.C. 1382c(a)(2) or 1382c(a)(3), respectively) in the case of an alien whose onset date of such blindness or disability meets the requirements of section 402(a)(2)(L)(iii) (8 U.S.C. 1612(a)(2)(L)).

Paragraph (3) shall apply to an alien only with respect to the program defined in section 402(a)(3)(A) (8 U.S.C. 1612(a)(3)(A))

and the program defined in section 402(b)(3)(c) (8 U.S.C. 1612(b)(3)(c)).".

(2) Exception to sponsor liability for reimbursement.-- Section 213A(b)(1) of the Immigration and Nationality Act (8 U.S.C. 1183a(b)(1)) is amended --

(A) by redesignating subparagraph (B) as (C);

(B) in subparagraph(A), by striking "Upon" and inserting "Except as provided in subparagraph(B), upon"; and

(C) by inserting the following new subparagraph immediately following subparagraph(A):

"(B) EXCEPTIONS.--

"(i) SUPPLEMENTAL SECURITY INCOME.--Paragraph (A) shall not apply to benefits payable under the program defined in section 402(a)(3)(A) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1612(a)(3)(A)) to or on behalf of an alien described in section 402(a)(2)(L) of that Act (8 U.S.C. 1612(a)(2)(L), during a period in which the alien's sponsor experiences financial hardship, as determined by the Commissioner of Social Security.

"(ii) MEDICAID.--Paragraph (A) shall not apply to benefits payable under the program defined in section 402(b)(3)(C) of that Act (8 U.S.C. 1612(b)(3)(C)) to or on behalf of an alien described in section 402(a)(2)(L) of that Act (8 U.S.C. 1612(a)(2)(L)).".

(c) Effective Date.--The amendments made by this section are effective with respect to benefits payable for months after the month in which this Act is enacted, but only on the basis of applications filed on or after the date of the enactment of this Act.

SEC. 3. RESTORING THE OCTOBER 2000 SUPPLEMENTAL SECURITY INCOME AND VETERANS ADMINISTRATION BENEFIT PAYMENTS TO THE APPROPRIATE YEAR.

Sections 5527 and 9305 of Pub. L. 105-33 are repealed.

SEC. 4. ACCELERATION OF EFFECTIVE DATE OF PROVISION ALTERING THE SCHEDULE FOR PAYMENTS UNDER SUPPLEMENTAL SECURITY INCOME STATE SUPPLEMENTATION AGREEMENTS.

(a) Section 410 of the Ticket to Work and Work Incentives Improvement Act of 1999 (Public Law 106-170) is amended by striking "2009" both places it appears and inserting "2002".

(b) Upon enactment, the provisions of this section that would have been estimated by the Director of the Office of Management and Budget as changing direct spending and receipts for the fiscal year 2002 under section 252 of the Balanced Budget and Emergency Deficit Control Act of 1985 (Pub. L. 99-177), to the extent such changes would have been estimated to result in saving in FY 2002 of \$311 million in outlays, shall be treated as if enacted in an appropriations act pursuant to Rule 3 of the Budget Scorekeeping Guidelines set forth in the Joint Explanatory Statement of the Committee of Conference Report No. 105-217, thereby changing discretionary spending under section 251 of that Act.