

**NLWJC - Kagan**

**DPC - Box 061 - Folder-006**

**Welfare - Food Stamps: Budget  
Proposal**

Wp - food stamp budget proposal



08:08:02 PM

Record Type: Record

To: Bruce N. Reed/OPD/EOP, Elena Kagan/OPD/EOP, Cynthia A. Rice/OPD/EOP  
cc: Laura Emmett/WHO/EOP  
Subject: Legal immigrant budget options

FYI, here's what OMB is carrying in legal immigrant benefit restorations.

### 1. Food Stamps -- \$2.7 billion over 5 years

Restore benefits to:

- all families with children
- disabled/elderly population who got SSI/Medicaid benefits restored (i.e., here when law was signed)
- Let refugees/asylees get benefits for 7 years after arrival. (Current law is 5 years; we extended it to 7 years for SSI/Medicaid, so this would conform to that for food stamps.)

Possible ways to scale this back are to:

- drop the disabled/elderly (saves about \$600 million)
- drop non-working parents -- i.e., cover working parents only (also saves about \$600 million)

OMB is pushing to include non-working parents on the theory that they're the poorest. Also, if we cover kids but not parents, advocates will argue that we're still hurting the kids, since the household eats together.

These restorations would cover both people here when the law was signed and new entrants. The strategy is that we should let Congress propose scaling it back.

There will probably be some action on this issue early on, when the "Ag research" bill comes up. This is the vehicle to spend the \$1 billion+ in cost allocation savings. The expectation is that this money will be divided among crop/agriculture and legal immigrants, with perhaps \$400 million in restorations potentially happening at that time.

### 2. State Option to Cover Legal Immigrant Children under Medicaid and CHIP -- \$200 million

This is small and politically popular. It only applies to children entering after the law was signed, since those who were here in 8/96 are already covered.

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To: Elena Kagan/OPD/EOP, Cynthia A. Rice/OPD/EOP  
cc: Laura Emmett/WHO/EOP, Julie A. Fernandes/OPD/EOP, Leanne A. Shimabukuro/OPD/EOP, Andrea Kane/OPD/EOP  
Subject: Update on legal immigrants and the budget

Elena, I think you know all of this anyway, but here's what I know. The agreement is to spend \$2.5 billion on benefit restorations to legal immigrants. The initial list was:

- (1) food stamps for legal immigrant families with children, regardless of date of entry;
- (2) food stamps for refugees and asylees for 7 years instead of 5;
- (3) Medicaid/CHIP for children who entered the country after the law was signed; and
- (4) food stamps for the Hmong (a compelling group who fought in the Vietnam War).

Most of the cost (\$2 billion) is the first item.

However, immigration advocates that OMB consulted objected strenuously -- particularly Greenstein. They were delighted with the size of the package, but felt we were making a big tactical mistake by leaving out the disabled and elderly (who cost \$400 million). Our rationale for doing so was that they already benefitted from the major SSI/Medicaid restorations enacted this summer, so it's time to help a new group. Greenstein's response is that (1) the disabled/elderly are the Ag Committee's top priority and, if we don't propose this restoration, Congress will have an excuse to ignore this issue altogether; (2) we are spending a lot of money on prospective restorations for families with children that are unlikely to be enacted; and (3) the disabled/elderly are compelling enough that leaving them out entirely leaves us vulnerable as debate on this proceeds.

OMB's solution is a partial restoration for the disabled/elderly -- the non-disabled elderly over 75, and the disabled. This is paid for by deeming sponsor income for those with affidavits of support, plus some other money OMB dug up.