


CALIFORNIA REFORM

# The Fiscal Burden of Illegal Immigration on California Taxpayers

BY JACK MARTIN, DIRECTOR OF SPECIAL PROJECTS

 **FAIR** FEDERATION FOR AMERICAN IMMIGRATION REFORM



An aerial photograph of Los Angeles, California, showing a dense urban landscape with numerous skyscrapers and residential areas. The foreground is dominated by lush green trees, while the background shows the city extending to the horizon under a clear sky.

# The Fiscal Burden of Illegal Immigration on California Taxpayers

BY JACK MARTIN, DIRECTOR OF SPECIAL PROJECTS  
FEDERATION FOR AMERICAN IMMIGRATION REFORM

JUNE 2014



ISBN 978-0-9890614-5-2

## Executive Summary

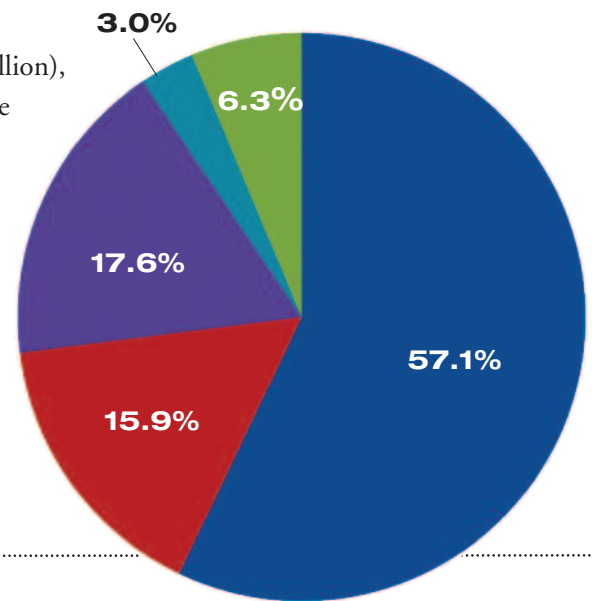
Californians bear an enormous fiscal burden as a result of an illegal alien population estimated at almost 3 million residents. The annual expenditure of state and local tax dollars on services for that population is \$25.3 billion. That total amounts to a yearly burden of about \$2,370 for a household headed by a U.S. citizen.

Nearly half of those expenditures (\$12.3 billion) result from the costs of K-12 education for the children of illegal aliens — both those illegally in the country and those born in the United States. Another major outlay (\$2.1 billion) results from the need to provide supplemental English language instruction to Limited English Proficient students, many of whom are children of illegal aliens. Together, these educational costs are 57.1 percent of total expenditures.

Other fiscal outlays result from the costs of medical care (\$4.0 billion), public assistance services (\$800 million), administration of justice functions (\$4.4 billion), and general governmental services (\$1.6 billion).

Because some tax revenue is collected from the illegal alien population, we include an estimate of this revenue from sales, income, property and “sin” taxes. Yet, it should be kept in mind that the \$3.5 billion in tax collections is not truly an offset to the fiscal costs, because similar, and likely greater, tax revenue would be collected if the same jobs were filled by legal workers.

The adoption of new amnesty legislation, such as Senate bill S.774, the so-called Gang of Eight bill, backed by the Obama administration, would not be an economic benefit to Californian taxpayers as some have argued. Amnesty advocates assert that providing legal status to illegal aliens would reduce the cost of “undocumented immigrants.” That is akin to arguing that the way to reduce speeding on the highways is to abolish speed limits. Doing so would eliminate speeding, but it would not eliminate the danger of operating vehicles at excessive speed, and, arguably, would have the opposite effect. Similarly, converting illegal aliens into legal residents would reduce the size of the illegal alien population, but it would not reduce the overall fiscal outlays associated with that population, and arguably would significantly increase them as the newly legalized residents became eligible for public assistance that was denied to them while they did not have legal status. It would also lead to additional illegal immigration as happened following the 1986 amnesty, which would further increase the fiscal burden.



<b>EDUCATION</b>	<b>\$14.4 Billion</b>
K through 12 — \$12,347.7 Million	
Supplemental English Instruction — \$2,083.7 Million	
<b>HEALTH CARE</b>	<b>\$4,016.2 Million</b>
<b>JUSTICE AND LAW ENFORCEMENT</b>	<b>\$4,436.5 Million</b>
(includes policing, court & incarceration costs)	
<b>PUBLIC ASSISTANCE</b>	<b>\$791.6 Million</b>
<b>GENERAL GOVERNMENTAL SERVICES</b>	<b>\$1,597.8 Million</b>
<b>TOTAL</b>	<b>\$25,273.5 Million</b>

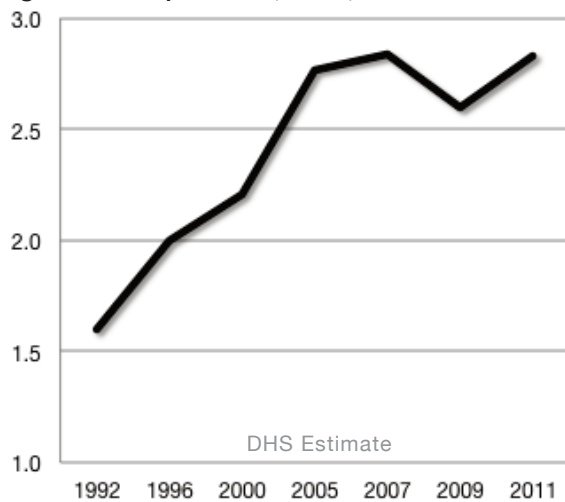
The costs related to the presence of illegal aliens can be lowered. The most effective step a state can take to discourage the arrival of illegal aliens is to utilize the E-Verify screening system designed to prevent employers from hiring illegal workers. California instead is moving in the opposite direction by adopting measures designed to accommodate the presence of illegal aliens. A.B. 4, the so-called Trust Act, restricts the cooperation between state and local law enforcement agencies with federal immigration authorities. A more recent law, A.B. 60, gives illegal aliens access to driver's licenses. This measure alone is going to cost the state of California, by its own admission, \$64.7 million per year.<sup>1</sup>

## Illegal Aliens in California

After a brief hiatus that coincided with the worst of the economic recession, California's illegal alien population is on the rise again. The Department of Homeland Security's Office of Immigration Statistics estimated that the illegal alien population in the state fell by 240,000 between 2007 and 2009. Since then, however, the estimate by DHS/OIS has increased by 220,000 as of 2012 to reach 2.8 million. That increase for California is proportionately higher than a similar increase estimated for the country.<sup>2</sup>

It is unclear whether DHS excluded from its estimate the illegal alien population that has gained temporary legal status through the legally questionable Deferred Action for Childhood Arrivals, as it does illegal aliens given Temporary Protected Status. As of January 2014, more than 110,000 illegal aliens had applied for DACA status from California.

**FIGURE 1**  
Illegal Alien Population (Millions)



A slightly higher estimate of the illegal alien population in the state as of 2010 was 2,934,400 persons.<sup>3</sup> Assuming the illegal alien population in the state has not declined since 2010, as indicated by DHS and Pew Research Center estimates, we use the estimate of 2.9 million in our calculations.<sup>4</sup>

Another estimate addresses the issue of the number of minor children of illegal aliens in the state. That estimate is fundamental to estimates of school expenditures and medical costs. The estimates below are based on a March 2013 study by University of California researchers that system focused on the number of illegal alien youth in California eligible for the Deferred Action for Childhood Arrivals temporary status program.<sup>5</sup> The shares of younger illegal alien children and other U.S.-born children of illegal aliens are estimated based largely on research by the Pew Hispanic Center.<sup>6</sup>

**TABLE 1**  
Children of Illegal Aliens

	Pre-School	School-Age	Total
Illegal Aliens	65,400	319,100	384,500
U.S.-Born	242,200	862,500	1,104,700
Total	307,600	1,181,600	1,489,200

**The estimated illegal alien population plus the U.S.-born children constitutes at least 10.7 percent of the state's population in 2013.**

## Education Costs

### K–12 EDUCATION

The California state budget for 2012-2013 identified the per pupil expenditure as \$11,445 and projected it at \$11,742 for the current school year. The share identified as federal funding was 11 percent, so state and local funding amounts to \$10,450.<sup>7</sup>

**Public school expenditures in California for the children of illegal aliens are estimated to cost the taxpayers more than \$12.3 billion per year.** This does not include additional state, county, and local spending on pre-K programs that also include the children of illegal aliens.

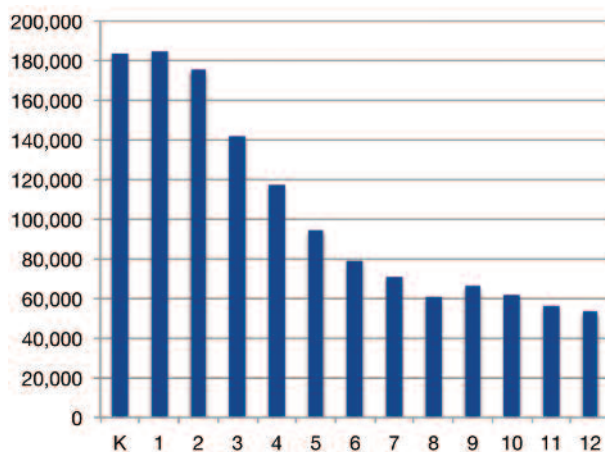
**TABLE 2**  
**Per Student Costs (K-12)**

	Number	Per Student	Total (\$M)
Illegal Aliens	319,100	\$10,450	\$3,334.6
U.S.-Born	862,500	\$10,450	\$9,013.1
Total	1,181,600		\$12,347.7

### SUPPLEMENTAL ENGLISH INSTRUCTION

The cost to California taxpayers for the K-12 education of the children of illegal aliens does not end with the regular operating expenses. Because most of those children are raised speaking a language other than English at home, they have difficulty learning in English in school. They are, therefore, put into supplemental English classes for Limited English Proficient students. Those classes are sometimes identified as English Language Learner classes or English as a Second Language classes.

**FIGURE 2**  
**ELL Enrollment by Grade (Thousands)**



Under the state's current public school funding formula, the state provides "...a supplemental grant equal to 20 percent of the adjusted [local] base grant for targeted disadvantaged students. Targeted students are those classified as English learners...[among others]."<sup>8</sup> The base grant is \$7,643 per pupil.<sup>9</sup> The supplement, therefore, amounts to \$1,529 per pupil. Additional funding comes from local sources. On average, the local funding of public school expenditures accounts for about one third of the state funding.<sup>10</sup> Applying the same share to ELL program funding adds an additional \$494, for a total of \$2,023 per pupil.

We include in the estimate, a declining enrollment in ELL instruction as the students have additional years of supplemental English instruction. We also provide for the fact that some students in ELL instruction will not be children of illegal aliens.

**TABLE 3**  
**ELL Enrollment**

	Enrollment	Per Student	Total (\$M)
Illegal Aliens	280,000	\$2,023	\$566.4
U.S.-Born	750,000	\$2,023	\$1,517.3
Total	1,030,000		\$2,083.7

According to a 2009 news account, “Nearly 70% of all students ever placed in the English language learning program were born in the United States. And, “Almost 30% of those placed early on in such programs in L.A. Unified were still in them when they started high school....”<sup>11</sup>

**Supplemental public school expenditures on ELL instruction for the children of illegal aliens amounts to more than \$2 billion per year.**

**UNIVERSITY EXPENDITURES**

By admitting certain illegal aliens at in-state tuition rates, the Legislature and the Board of Regents imposed an additional major burden on the state’s taxpayers. In 2012, the Legislature increased that burden by extending Cal Grant financial aid to those illegal alien students.<sup>12</sup> Providing the opportunity for illegal alien students to continue their education at subsidized rates encourages more of those students to do so. The same

is true for providing tuition assistance grants to them.

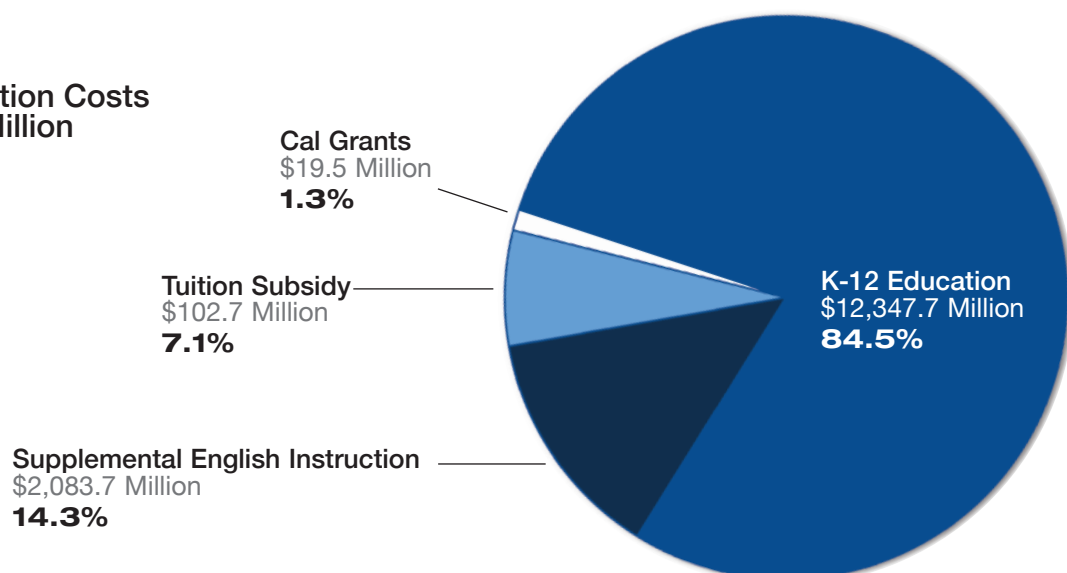
**TABLE 4**  
**In-State Tuition Subsidy**

	Enrollment	Per Student	Total (\$M)
2-Year CCs	22,000	\$3,585	\$78.9
CSU	2,500	\$6,096	\$15.2
UC	650	\$13,200	\$8.6
	25,150		\$102.7

**The estimated tuition subsidy of more than \$102.7 million extended to illegal alien students is now augmented by the newly approved financial assistance program.**

The California Student Aid Commission reportedly planned to award about 6,000 Cal Grants to illegal alien students in the 2013-2014 school year — amounting to about \$19.5 million.<sup>13</sup>

Adding the financial aid to the illegal alien college students to the tuition subsidy and the K-12 educational outlays amounts to more than \$14.5 billion in fiscal costs to the California taxpayer.

**FIGURE 3**  
**Total Education Costs**  
**\$14,553.6 Million**

## Law Enforcement Costs

### PRISONS

The expense of incarcerating alien convicts is one measure of the cost to the California taxpayer that results from their criminal activities. The share of illegal and deportable aliens in prison in the state is also an indication of the relative amount of related expenditure on policing and prosecution of those prisoners.

The cost of incarceration of deportable aliens is partially offset by the federal State Criminal Alien Assistance Program (SCAAP) reimbursement, which is based only on a share of personnel costs, and has been shrinking in recent years. It was \$72.9 million for 2012.<sup>14</sup> That left the California taxpayer with a cost of \$1,468 million.

**The net annual cost of incarcerating deportable aliens amounts to nearly \$1.5 billion.**

**TABLE 5**

#### Incarceration Costs

		Total (\$M)
Prisoner Years X Cost Per Year	32,500 X \$47,421	\$1,541.2
SCAAP Reimbursement		-\$72.9
Net Cost		\$1,468.3

### POLICING

We estimate current state and local policing expenses to be about \$14.6 billion. The share of that amount attributable to the illegal alien population was \$1.85 billion.<sup>15</sup>

### JUDICIAL

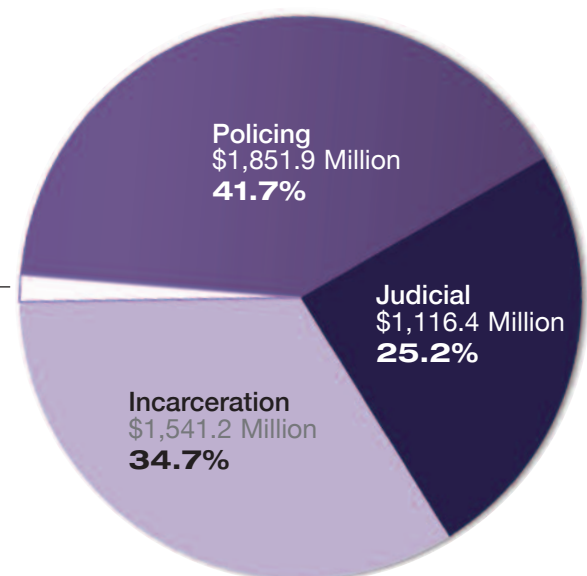
The estimate for state and local judicial costs in California is \$8.8 billion. The share attributable to the illegal alien population is about \$1.1 billion. That estimate is conservative because judicial expenses are likely to be especially impacted by the requirement for translation and interpreter services as well as the services of public defenders.

**In total, the law enforcement expenditures by the state and local governments resulting from the illegal alien population are over \$4.4 billion per year.** That estimate would have been higher if it included juvenile justice expenditures and parole system costs as well as the additional judicial costs noted.

**FIGURE 4**

#### Total Law Enforcement Costs \$4,436.6 Million

SCAAP Reimbursement  
-\$72.9 Million  
**-1.6%**



## Health Care Costs

The illegal alien population generally does not have health insurance and generally has low income levels that result in recourse to free clinics and emergency rooms when medical services are required.<sup>16</sup> These medical expenditures for illegal aliens occur in several primary categories:

- Medicaid funded births to illegal aliens,
- Medicaid services to the U.S.-born children of illegal aliens,
- Publicly-funded medical insurance for some of the U.S.-born children,
- County provided free medical primary care.
- Unreimbursed emergency medical care provided to illegal aliens.

A study published in 2013 reported the average Medicaid reimbursement for a natural delivery was \$9,131 and for a caesarian section was \$13,690. We use an average cost per delivery of \$11,410. The federal government pays half of the Medicaid cost (\$5,705) under the Federal Medical Assistance Program.<sup>17</sup>

**TABLE 6**  
**Medicaid Births to Illegal Aliens**

Number	Expense	Total (\$M)
68,000	\$5,705	\$387.9

The above estimate does not include pre- and post-natal medical expenditures. An estimate of the related pre-natal expenditure in California — not including federal funding — for illegal aliens in 2011 was \$56 million per year.<sup>18</sup> A similar estimate of post-natal funding is not included.

**We, therefore, estimate the Medicaid expenditure paid by the California taxpayer for pre-natal and delivery services to illegal aliens is at least \$444 million per year.**

### MEDI-CAL FOR U.S.-BORN CHILDREN OF ILLEGAL ALIENS AND DACA RECIPIENTS

Following the birth to an illegal alien mother, the child continues to be eligible for medical coverage under Medi-Cal, the state's Medicaid program, if the family under the income threshold.

**TABLE 7**  
**Medi-Cal for Children**

	Number	Cost Per Child	Total (\$M)
Age 0-1	68,000	\$1,800	\$122.4
Age 1-5	231,200	\$1,800	\$416.2
Age 6-18	720,270	\$1,800	\$1,296.5
Total	1,019,470		\$1,835.1

Our estimate of the children of illegal aliens continuing since birth to receive taxpayer-funded medical care is about two-thirds of those children whose births were funded by Medi-Cal. The total cost to California taxpayers for that program is estimated at more than \$1.8 billion per year.

**TABLE 8**  
**Children's Health Insurance**

Number	Expense	Total (\$M)
68,000	\$5,705	\$387.9

### HEALTH INSURANCE FOR CHILDREN

The Children's Health Insurance Program, in California's called the Optional Targeted Low Income Children Program, is a medical insurance program for low income children who live in families where income is above the qualifying level for Medicaid but below 250 percent of the FPL.<sup>19</sup>

### COUNTY MEDICAL SERVICES

Several counties provide illegal aliens free primary care medical services. Those services are being provided in the counties of Alameda, Fresno, Kern, Los Angeles, Riverside, San Francisco, San Mateo, Santa Clara and Santa Cruz.<sup>20</sup>

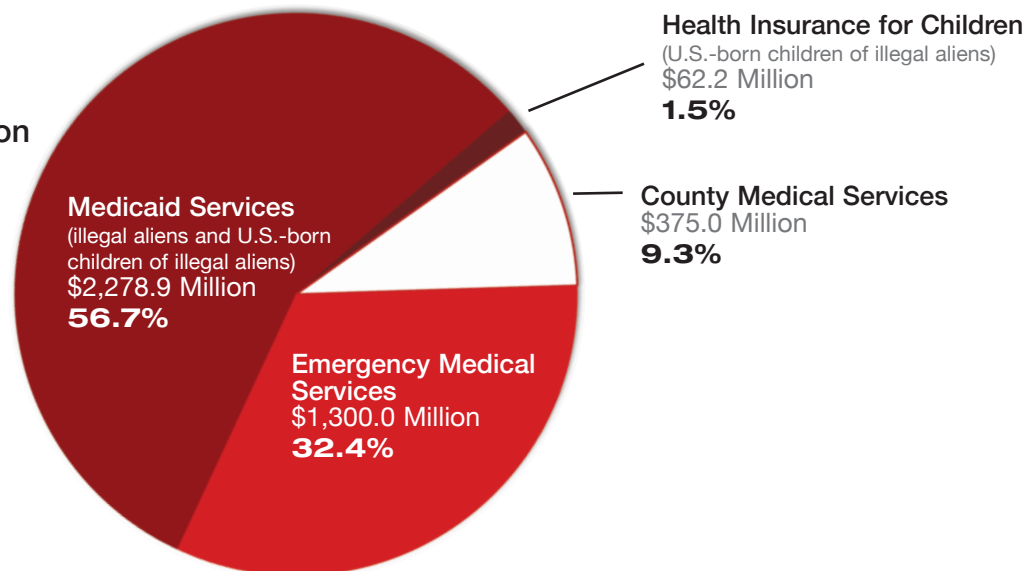
If the number of beneficiaries and the cost level in the other counties is comparable to that in Fresno, they are **providing medical services to as many as 75,000 illegal aliens at a cost of about \$375 million per year.**<sup>21</sup>

### UNCOMPENSATED EMERGENCY MEDICAL SERVICES

Under the federal Emergency Medical Treatment and Labor Act, public hospitals must provide emergency medical treatment to any patient regardless of immigration status or ability to pay until the patient's medical condition is stabilized. The Kaiser Health News reported in 2011 that California hospitals get about half the \$2 billion spent annually on Emergency Medicaid, i.e., about \$1 billion. A 2009 report put the unreimbursed costs in the state resulting from medical services for illegal aliens at about the same level, i.e., \$1.2 billion. That amount is likely higher today as a result of inflation. Some of that cost is borne directly by the taxpayer and some is passed on in the form of higher insurance costs to those who have medical insurance.

**We estimate an annual cost of \$1.3 billion as the annual costs of emergency medical treatment to illegal aliens provided by the state.**

**FIGURE 5**  
**Total Cost of**  
**Health Care**  
**\$4,016.1 Million**



### Public Assistance Costs

In general, illegal aliens are ineligible for social assistance programs. Nevertheless, there is a significant amount of social assistance that is attributable to their presence. Some of the expenditures relate to programs that provide services to all residents without regard to immigration status, such as free and low cost meal programs in the public schools or public health programs such as free immunizations. Other expenditures result from the ability of illegal aliens being able to enroll in social assistance programs on the basis of their U.S.-born

children and their low income levels. Finally, there likely is some fraudulent enrollment of illegal aliens in social assistance programs by falsely claiming U.S. citizenship or legal permanent residence and using fictitious or stolen identities. The absence of sufficient data to make an estimate on the costs of fraud leads to that likelihood being ignored in this fiscal cost study.

#### WELFARE AND FOOD STAMPS

According to a 2011 state analysis, California spends \$500 million a year for cash aid to 90,000 U.S. citizen children of illegal aliens, for a per child expenditure of \$5,555 per year.<sup>22</sup> The same report also indicated that 54 percent of the funding was from the state and local budgets rather than federal funding.

Not all illegal alien parents whose U.S.-born children qualify for welfare programs enroll in public assistance programs. One indicator of how many may be participating is data on the number of children receiving benefits in “zero parent families.” This category includes households where the parents are illegal aliens, and who, therefore, are excluded from the public assistance that their children qualify for. State data show 356,558 children enrolled in CalWorks public assistance in 2013 in this “zero parent families” category, with payments of \$76.5 million for the month of August.<sup>23</sup> This implies a full-year expense of \$918 million.

The CalWorks program is funded by the federal Temporary Assistance to Needy Families (TANF) program and by the state. The federal funding as of 2010 was \$3.7 billion, and the state “Maintenance of Effort” funding was \$2.9 billion (44% of total funding).<sup>24</sup> That share of state funding implies about \$403.4 million allocated to the child only cases. However that program is just one of the CalWorks public assistance programs.

Assuming the number of children of illegal aliens enrolled in CalWorks is as high as 300,000, i.e., 27.2 percent of the state’s estimated U.S.-born children of illegal aliens, and the level of expenditure per child is \$5,500, the state share (44%) of that funding is an annual cost of \$726 million.

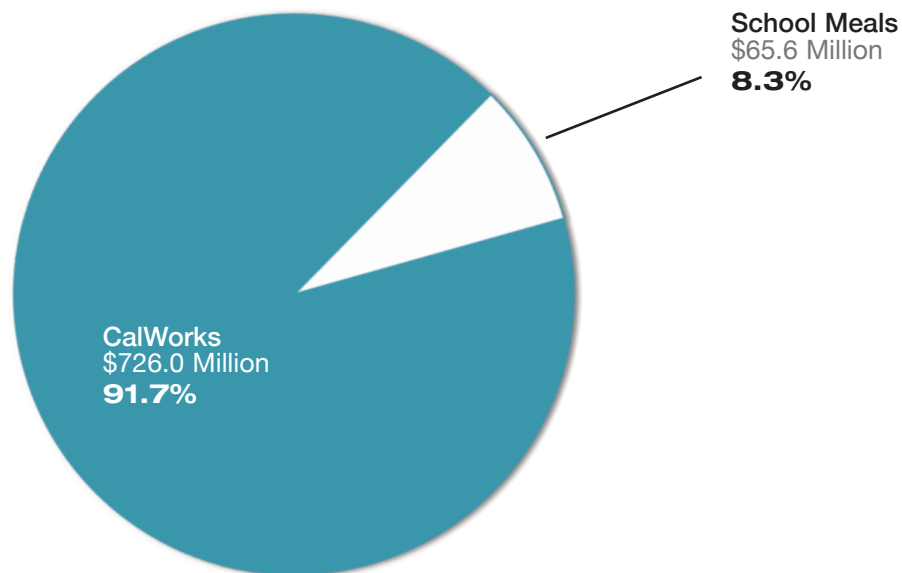
**We estimate that about \$726 million is spent by the state in the CalWorks public assistance programs that match federal funding for the TANF and Child Care and Development Fund programs for the U.S.-born children of illegal aliens.**

#### FREE AND SUBSIDIZED SCHOOL MEALS

According to the California Department of Education, as of October 2012 there were 2,383,112 students receiving free and reduced price meals in public schools.<sup>25</sup> We assume that most of the state’s estimated 1.18 million children of illegal aliens attending public schools will be participating in the program. That is nearly half (49.5%) of the participating students.<sup>26</sup> The state subsidy of the program amounts to \$132.6 million per school year (ignoring the summer school program), so **the share attributable to the children of illegal aliens amounts to \$65.6 million per year.**

**Total state and local public assistance funding received in the CalWorks and school meal programs amounts to an estimated \$791.6 million annually.** This estimate, however, does not include numerous smaller programs operated at the county or city level that may include public housing and other publicly funded assistance programs.

**FIGURE 6**  
Total Cost of  
Public Assistance  
\$791.6 Million



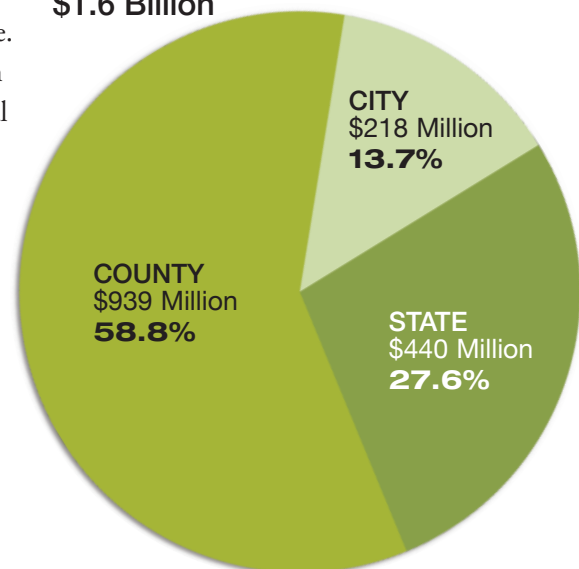
## General Government Services Costs

Illegal aliens benefit from general government functions the same as legal residents, and a share of the cost of that activity is attributable to their presence in the state's population. The general government function includes activities at the state and local levels of government for the common use of the public facilities such as parks and recreation areas, libraries, or street and road maintenance or fire departments and municipal health clinics.

According to the California state budget for 2012-2013, general fund expenditures are projected to be about \$95.67 billion.<sup>27</sup> The general government share is \$3.73 billion, i.e. about 3.9 percent. The share attributable to the illegal alien population is about \$440 million. The county budgets total about \$83.8 billion and the general expenditure share of about 9.5 percent is \$9.96 billion. The share attributable to the illegal alien population is about \$939 million. City budgets statewide amount to about \$19.5 billion and the general government portion is about \$1.85 billion with the illegal alien share about \$220 million.

**We, therefore, estimate a total of general government expense attributable to the illegal alien population of about \$1.6 billion.**

**FIGURE 7**  
Total Cost of  
General Government Services  
\$1.6 Billion



## Tax Collection

Advocates of amnesty for illegal aliens routinely suggest that the illegal resident population has earned legal permanent residence because they have paid taxes. That argument is illogical because even tourists, foreign students, and guest workers pay some state taxes, but no one would suggest that fact should entitle them to ‘green cards.’

In addition, the same or greater taxes would be received by the state and local governments if illegal alien workers were replaced with legal workers, because legal workers are likely to be earning higher wages and less likely to be working in the underground economy for cash than illegal alien workers.

The taxes collected from illegal aliens include the income tax, sales tax, property tax (as a share of rent), and “sin” taxes. This report analyzes the fiscal impact on state and local budgets, and therefore includes an analysis of state and local — but not federal — tax receipts.

### INCOME TAX

Although the state income tax is the primary source of state revenue (about 64% of general fund receipts), very little of that is likely received from the illegal alien population. Households with two or more children with income under \$25,536 are exempt from income tax withholding.<sup>28</sup> Those households with two and a half times the minimum wage (\$41,600) are subject to withholding of \$29.76 annually. Singles with income less than \$12,768 are exempt from withholding. Singles earning the minimum wage (\$16,640 for a 40 hour week) are subject to annual tax withholding of \$63.20. However, those tax liabilities may be reduced by the renters’ credit of \$60 for singles and \$120 for married persons.<sup>29</sup>

We estimate that with workers in the underground economy working for cash wages and those in the above ground economy working with false identification as legal workers, but with low income, the only income tax collection will be from a small outlier population of higher-earning visa overstayers who are using a Social Security number they received when they entered the country on a visa as a temporary guest worker. Single workers at twice the median income (\$54,468) would have withholding of \$2,266. Households with two or more children with double the median income (\$79,308) would have withholding of \$277. Of course, income tax payments by these outliers reduce their disposable income. We assume a 10 percent share of illegal alien tax filers — 253,180 persons — are higher-earning outliers.

**The estimated tax collection from that outlier population of illegal aliens is \$382.2 million.**

### SALES TAX

The base state sales tax is 7.5 percent. Many local jurisdictions add their own sales taxes. Thus, in a county such as Los Angeles the combined sales tax is 9.0 percent. Therefore, to estimate sales tax collection from the illegal alien population assumptions are necessary about where in the state and about their disposable income. Most counties apply the 8 percent rate, but counties that apply a 9 percent rate (e.g., Alameda, Los Angeles, San Mateo) account for a large share — as much as one-third — of the state’s illegal alien population. Our estimate of tax collections from illegal aliens takes this distribution into account and uses an average rate of 8.25 percent.

To arrive at the estimate of disposable income, we use averages for earnings, rent, utilities, food, remittances, alcohol, tobacco, income tax, and transportation expenses. We estimate an annual disposable income of \$7,205 for most single illegal aliens, and \$36,450 for the outliers earning double the median wage. For most double income families, the disposable income was estimated at \$4,880 (because of higher food and average rent costs for a family with 2.5 children), and about \$39,670 for outlier families earning double the median wage. For the outliers, we assume that three-fourths of disposable income is spent on sales tax items. That estimate leads to an assumption of annual disposable income of about \$24.6 billion.

**We estimate that the share of this disposable income spent on purchases subject to the sales tax results in tax receipts by state and local jurisdictions of \$1.8 billion.**

### PROPERTY TAXES

Most illegal aliens will contribute some share of property taxes as part of their rent payments. The county property tax rate is 1 percent of assessed value, and local jurisdictions may add to that rate.<sup>30</sup> Because local property tax rates on top of the state rate vary widely, we use the realtor's 'rule of thumb' of a combined state and local rate of 1.25 percent.

**In total the illegal alien population accounts for about 1.2 million property taxpayers with total annual property tax payments of about \$1.22 billion.**

### SIN TAXES

We estimate adult consumption of cigarettes at shares of Mexican consumers reported by the World Health Organization.<sup>31</sup> For alcohol consumption, we use data from the Centers for Communicable Diseases.<sup>32</sup>

California tax rates are \$.45 on a pack of cigarettes. At half a pack a day, that would generate an estimated tax revenue of about \$105.2 million. At a tax of \$0.617 per gallon of beer, consumption by illegal aliens would generate estimated tax receipts of about \$5.0 million.

**TABLE 9**

#### State/Local Tax Receipts

	(\$Millions)
Income tax	\$382.2
Sales tax	\$1,829.4
Property tax	\$1,218.8
Sin taxes	\$110.2
Total	\$3,540.6

**Combined, these "sin" taxes generate an estimated tax collection of about \$110.2 million.**

**In total those tax revenues collected at the state and local level of government are estimated to amount to about \$3.5 billion annually.**

## Conclusion

The fiscal burden on California taxpayers as a result of illegal immigration is already enormous, and it will continue to grow as long as the illegal alien population in the state continues to grow, and as long as the state continues to extend taxpayer-funded services to illegal aliens. The fiscal costs will also grow as a result of new developments such as the decrease in unreimbursed emergency medical assistance from the federal government to public emergency care facilities as part of the ACA and state measures that accommodate and attract new illegal aliens. These include measures such as providing driver's licenses and financial assistance for college tuition or the proposed free and subsidized medical care.

Currently California Senate Bill 1005 (S.B. 1005) would create a California state exchange modeled on the Affordable Care Act (Obamacare) and would allow would allow illegal aliens to receive taxpayer-funded subsidized in order to purchase health insurance. It would also extend Medi-Cal benefits to illegal aliens. With \$4 billion being paid out for the medical care of illegal aliens and their children, S.B. 1005 would exponentially increase costs for California taxpayers.

It is a mistake to assume that there is nothing that can be done at the state or local level other than to accommodate those who have taken up residence in the state in violation of federal law. In the absence of effective federal enforcement to discourage the settlement of illegal aliens, state and local policymakers have the means available to take action to defend the interests of the public. The most important of those is to effectively deny job opportunity to illegal workers. States that have adopted mandatory identity verification by employers of their new employees — using the federal E-Verify program — have seen decreases in the illegal alien population and related costs from Medicaid births, supplemental English enrollment in the public schools, and in crime rates, to name the most notable trends.<sup>33</sup>

The most effective reform must take place at the federal level to assure that all employers are playing on a level field, but, until that is accomplished, state and local policymakers should put the interests of legal residents ahead of illegal residents.

## Endnotes

1. Lucas, Greg, "Budget details costs for immigrants' licenses," *Capitol Weekly*, January 10, 2014, <http://capitolweekly.net/budget-details-costs-immigrants-licenses/>, accessed May 12, 2014.
2. The DHS estimated illegal alien population for the nation increased by 7 percent from 2009 to 2011. The increase in California was 8.85 Percent.
3. Warren, Robert and John Robert Warren, "Unauthorized Immigration to the United States: Annual Estimates and Components of Change, by State, 1990 to 2010," *International Migration Review*, June 2013. Robert Warren is a demographer and former head of the Immigration Statistics office of the Immigration and Naturalization Service.
4. Baker, Bryan and Nancy Rytina, "Estimates of the Unauthorized Immigrant Population Residing in the United States: January 2012," Department of Homeland Security, March 2013 ([http://www.dhs.gov/sites/default/files/publications/ois\\_ill\\_pe\\_2012\\_2.pdf](http://www.dhs.gov/sites/default/files/publications/ois_ill_pe_2012_2.pdf)); Passel, Jeffrey S., D'Vera Cohn and Ana Gonzalez-Barrera, "Population Decline of Unauthorized Immigrants Stalls, May Have Reversed: New Estimate: 11.7 million in 2012," September 23, 2014 (<http://www.pewhispanic.org/2013/09/23/population-decline-of-unauthorized-immigrants-stalls-may-have-reversed/>).
5. Johnston, Paul and Samara Foster, "Increasing DACA Participation," UC Center For Collaborative Research for an Equitable California, March 2013.
6. Passel, Jeffrey and D'Vera Cohn, "A Portrait of Unauthorized Immigrants in the United States," Pew Hispanic Center, April 14, 2009. We estimate, however, that the pre-K illegal alien children are fewer proportionately than the same-aged U.S.-born children of illegal aliens.
7. "State Budget: K thru 12 Education," (Figure K12-01), website visited January 28, 2014 ([www.ebudget.ca.gov/2013-14/pdf/BudgetSummary/Kthru12Education.pdf](http://www.ebudget.ca.gov/2013-14/pdf/BudgetSummary/Kthru12Education.pdf)).
8. "Local Control Funding Formula Overview, California Department of Education, website visited January 29, 2014, (<http://www.cde.ca.gov/fg/aa/lc/lcffoverview.asp>). N.B. The budget proposal for this supplemental funding identified the supplement as 35 percent of the base funding.
9. State K-12 budget: K-12 Education: Local Control Funding Formula, website visited February 12, 2014. (<http://www.ebudget.ca.gov/2013-14/pdf/Enacted/BudgetSummary/Kthru12Education.pdf>)
10. "Highlights Table 2. Summary of Selected Estimates Data for 2012-13," (p.67), National Education Association, Local budget share 32.3 percent. Website visited February 12, 2014 ([http://www.nea.org/assets/img/content/NEA\\_Rankings\\_And\\_Estimates-2013\\_\(2\).pdf](http://www.nea.org/assets/img/content/NEA_Rankings_And_Estimates-2013_(2).pdf))
11. "Many L.A. students not moving out of English language classes," *Los Angeles Times*, October 29, 2009.
12. AB131, known as the California DREAM Act, was enacted in 2012. In-state tuition eligibility for illegal aliens was enacted in October 2001 (AB 540).
13. "California Dream Act: 20,000 illegal immigrant students apply for state financial aid for the first time," *San Jose Mercury News*, March, 8, 2013.
14. "FY 2012 SCAAP Data: FY 2012 SCAAP Award List," Bureau of Justice Assistance, U.S. Department of Justice, [https://www.bja.gov/ProgramDetails.aspx?Program\\_ID=86](https://www.bja.gov/ProgramDetails.aspx?Program_ID=86) , accessed May 12, 2014.
15. Based on an estimate by the U.S. Department of Justice's Bureau of Justice Statistics (DOJ/BJS) of the state and local costs of policing in California in 2006 was more than \$12.6 billion. On the basis of inflation (15.6%), we estimate current state and local policing expenses to be about \$14.6 billion. "Justice system expenditure by character, State and type of government, fiscal 2006 (Table 4), Bureau of Justice Statistics, U.S. Department of Justice, August 29, 2008. This criminal alien share was about 48 percent higher than the comparable estimated illegal alien share of the adult male population in the state. On the assumption that the level of incarcerated aliens reflects a similar level of impact on the law enforcement agencies and the court system, the same factor of 12.7 percent is used in estimating the outlay on policing and judicial operations.
16. Passel, Jeffrey and D'Vera Cohn, "A Portrait of Unauthorized Immigrants in the United States," Pew Hispanic center, April 14, 2009. Median household income for illegal aliens was \$35,000 for those in the country fewer than ten years and \$38,000 for those here longer. Average family size was between 3 and 4 persons, with those with longer residence having larger household size. Comparable current eligibility criteria for Medicaid benefits have a family income level of \$36,130 for a family of three and \$43,567 for a family of four.
17. Kaiser Family Foundation, State Health Facts, website visited, February 3, 2014, <http://kff.org/medicaid/state-indicator/federal-matching-rate-and-multiplier/>
18. Fact Check, *Sacramento Bee*, February 6, 2011.

19. Targeted Low Income Children's Program, State of California—Health and Human Services Agency, website visited February 4, 2014.  
(<http://www.dhcs.ca.gov/services/Documents/DRAFT%20Targeted%20Low%20Income%20ACWDL%20Comments%20due%2011-5-12.pdf>)
20. "Fresno County aims to cut health care to undocumented immigrants," *The Fresno Bee*, January 5, 2014.
21. Ibid. The estimate of the level of services in the other counties is proportionate to their respective shares of students enrolled in supplemental English instruction.
22. Fact Check, *Sacramento Bee*, op. cit. That estimate is the same as the \$500 million in public assistance to the children of illegal aliens cited in the North County Times of January 21, 2007. See "Illegal immigrant parents facing aid cut," (<http://www.immigrantsolidarity.org/cgi-bin/datacgi/database.cgi?file=Issues&report=SingleArticle&ArticleID=0701>)
23. "Public Assistance Facts and Figures, August 2013, Health and Human Services Agency, October 23, 2013, website visited February 5, 2014. (<http://www.cdss.ca.gov/research/res/pdf/Paff/2013/PAFFAug13.pdf>)
24. Reed, Diane and Kate Karpilow, "Understanding CalWorks," A Primer for Service Providers and Policymakers, California Center for Research on Women and Families, April 2010. Most of the child-only cases had "other/unknown" citizenship identification and they made up 20.5 percent of all CalWORKs cases.
25. "Student Poverty – FRPM Data," Unduplicated Student Poverty – Free and Reduced Price Meal Data 2012-2013, California Department of Education, website visited February 5, 2014. (<http://www.cde.ca.gov/ds/sd/sd/filessp.asp>)
26. "Seventy percent of low-income students in California participate in the National School Lunch Program but only 30 percent participate in the federal School Breakfast Program." California Food Policy Advocates, "School Meal Analysis 2010-11" website visited February 5, 2014. (<http://cfpa.net/school-meal-analysis10-11>)
27. California State Budget – 2013-14, website consulted, January 10, 2014 (<http://www.ebudget.ca.gov/2013-14/pdf/Enacted/BudgetSummary/SummaryCharts.pdf>)
28. Calculations were based on the UCLA withholding and tax computation tables at [http://map.ais.ucla.edu/go/1004907#Cali\\_withholding\\_tables](http://map.ais.ucla.edu/go/1004907#Cali_withholding_tables).
29. "California Personal Income Tax," website visited February 10, 2014.  
(<http://taxes.about.com/od/statetaxes/a/California-income-tax.htm>)
30. "Understanding California's Property Taxes," legislative Analyst's Office, (website consulted February 14, 2014. (<http://www.lao.ca.gov/reports/2012/tax/property-tax-primer-112912.aspx>)
31. "Appendix III: Internationally comparable prevalence estimates, World Health Organization, website consulted January 16, 2014 ([http://www.who.int/tobacco/mpower/mpower\\_report\\_prevalence\\_data\\_2008.pdf](http://www.who.int/tobacco/mpower/mpower_report_prevalence_data_2008.pdf)). The estimated rate of consumption of half a pack a day comes from "Tobacco Use and Hispanics," Campaign for Tobacco-Free Kids website consulted January 16, 2014  
(<http://www.tobaccofreekids.org/research/factsheets/pdf/0134.pdf>)
32. "Alcohol and Public Health," Centers for Disease Control and Prevention, website visited January 16, 2014  
(<http://www.cdc.gov/alcohol/fact-sheets/alcohol-use.htm>)
33. Martin, Jack, "Recent Demographic Change in Arizona: Anatomy of Effective Immigration Reform Legislation," FAIR, January 2012.

# Join the FAIR fight for immigration reform today.

## Stay informed. Get involved. Make a difference.

As America approaches a defining moment in its immigration history, your support is crucial to our fight for immigration policies that serve the interests of the American people.

### ENCLOSED IS MY DONATION OF:

- ☐ \$1,000   ☐ \$500   ☐ \$250   ☐ \$100   ☐ \$50  
☐ \$25   ☐ Other \$ \_\_\_\_\_

### PAYMENT METHOD

☐ Check made payable to FAIR or

☐ Visa   ☐ Mastercard   ☐ Amex   ☐ Discover

Card Number

Expiration Date

Signature

Name

Address

City

State

Zip

### PLEASE SIGN ME UP TO RECEIVE

- ☐ FAIR *Immigration Report* and Legislative Updates online  
☐ Legislative Updates only.

Email

FAIR is dedicated to promoting public understanding and critical thinking about immigration's impact on every aspect of life in America.

United with and supported by concerned citizens who are willing to take action to secure our nation's future, we fight against those who would exploit the national immigration policy to enhance their private interests or political power.

Please join or donate online at [www.fairus.org](http://www.fairus.org), toll-free by phone at (877) 627-3247, or complete the adjacent form and mail to:

**FAIR—Development**  
25 Massachusetts Avenue, NW, Suite 330  
Washington, DC 20001



FAIR is a member of the Better Business Bureau Wise Giving Alliance and has been awarded four out of four stars by Charity Navigator.

FAIR is a tax-exempt 501(c)(3) non profit organization. All contributions are tax-deductible.

## Board of Directors

Nancy S. Anthony	Sarah G. Epstein
Duke Austin	Frank Morris, Ph.D.
Sharon Barnes	Roy C. Porter
Douglas E. Caton	Alan N. Weeden
Donald A. Collins Jr., Chair	

## Board of Advisors

Hon. Louis Barletta	Lawrence E. Harrison
Gwat Bhattacharjie	Marilyn Hempell
Gerda Bikales	Dale Herder, Ph.D.
Hon. Brian Bilbray	Diana Hull, Ph.D.
J. Bayard Boyle Jr.	Glenn Jackson
Hugh Brien	Carol Joyal
John Brock	Hon. Richard D. Lamm
Torrey Brown, M.D.	Roy C. Lierman
Frances Burke, Ph.D.	Donald Mann
Pat Choate, Ph.D.	K.C. McAlpin
William Collard, Esq.	Joel McCleary
Donald A. Collins Sr.	Scott McConnell
Clifford Colwell, M.D.	James G. McDonald, Esq.
Thomas A. Connolly	Peter Nunez, Esq.
Kevin Donaleski	Robert D. Park
James R. Dorcy	Fred Pinkham, Ph.D.
Alfred P. Doyle, M.D.	Bruce S. Reid
Dino Drudi	Teela Roche
Paul Egan	David P. Schippers, Esq.
Bonnie Erbé	John Philip Sousa, IV
Robert Gillespie	John Tanton, M.D.
Otis W. Graham Jr., Ph.D.	Hon. Curtin Winsor Jr.
Joseph R. Guzzardi	Frosty Wooldridge
Robert E. Hannay	



© FAIR HORIZON PRESS™ JUNE 2014.  
ALL RIGHTS RESERVED.  
ISBN 978-0-9890614-5-2

FEDERATION FOR AMERICAN IMMIGRATION REFORM  
25 MASSACHUSETTS AVENUE, NW, SUITE 330  
WASHINGTON, DC 20001  
[WWW.FAIRUS.ORG](http://WWW.FAIRUS.ORG)