The Costs of Illegal Immigration to Illinoisans

by Jack Martin, Director of Special Projects
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EXECUTIVE SUMMARY

Analysis based on current estimates of the illegal alien population residing in Illinois indicates that population costs the state’s taxpayers more than $3.5 billion per year for education, medical care and incarceration. That annual tax burden amounts to about $695 per Illinois household headed by a native-born resident. Even if the estimated $465 million in sales, income and property taxes collected from illegal immigrants are subtracted from the fiscal outlays, net costs still amount to more than $3 billion per year.

The three cost areas discussed in this analysis (education, health care and incarceration resulting from illegal immigration) are the major cost areas. They are the same three program areas analyzed in a 1994 study conducted by the Urban Institute, which provides a useful baseline for comparison. Other studies have been conducted in the interim, showing trends that support the conclusions of this report.

Even without accounting for all of the numerous other areas in which costs associated with illegal immigration are being incurred by Illinois taxpayers, the program areas analyzed in this study indicate that the burden is substantial and that the costs are rapidly increasing.

The more than $3.5 billion in costs incurred by Illinois taxpayers annually result from outlays in the following areas:

- **Education.** Based on estimates of the illegal immigrant population in Illinois and documented costs of K-12 schooling, Illinoisans spend more than $3.1 billion annually on education for the children of illegal immigrants. This estimate does not include programs for limited English students, remedial educational programs or breakfast and lunch programs available to students from low-income families. An estimated 10 percent of the K-12 public school students in Illinois are children of illegal aliens.

- **Health care.** Taxpayer-funded, unreimbursed medical outlays for health care provided to the state’s illegal alien population amount to an estimated $340 million a year.

- **Incarceration.** The uncompensated cost of incarcerating deportable illegal aliens in Illinois state and local prisons amounts to about $55 million a year. This estimate includes only prison costs and not short-term or other detention costs, related law enforcement and judicial expenditures, or the monetary costs of the crimes that led to incarceration.

The fiscal costs of illegal immigration borne by state taxpayers do not end with these three major cost areas. The total local cost of illegal immigration is considerably higher if other cost areas such as preventive health programs, special English instruction, interpretation services in courts and hospitals, welfare programs used by the U.S.-born children of illegal aliens, or welfare benefits for American workers displaced by illegal alien workers are also calculated.

If illegal immigrants were able to obtain legal work status as currently advocated by the Bush administration, and/or eventual permanent residence and possible citizenship as currently proposed in both houses of Congress, state income tax collections might increase, but this likely would be outweighed by increased use of public services to low-income families. In addition, the possibility for family members of the current illegal alien population to come to the United States to reunite families would increase the size of the poverty and near-poverty population using public services.
Illinois — and Chicago in particular — is experiencing population growth almost entirely because of immigration — both legal and illegal.

According to U.S. Census Bureau estimates, from 2000 to 2005 the state had an average net annual loss to other states of about 73,800 native-born residents while seeing them replaced by an average net annual increase of 61,900 immigrants. The state would have lost population overall except that the natural change (births minus deaths) was also adding an average annual amount of about 76,700 persons. Because a significant share of the births were to immigrant mothers, it is fair to say that immigrants accounted for all of the state’s population increase over that period.

Demographic change in Chicago is driving the state’s population change. The principal metropolitan statistical area (PMSA — the counties of Cook, DeKalb, DuPage, Grundy, Kane, Kendall, Lake, McHenry, and Will) accounted in 2005 for a bit more than two-thirds (67.3%) of the state’s population. It had even larger shares of the major demographic factors that account for population change, i.e., more than nine-tenths (91.9%) of the net population increase from immigration and nearly nine-tenths (89.4%) of both the state’s native-born population exodus and its natural increase (88.1%).

In the non-Chicago balance of the state’s population, the estimated demographic change is much more moderate. Between 2000 and 2005, there was a net exodus from domestic migration of about 7,775 persons per year offset by an average annual net increase from immigration of about 5,020 persons and by an average annual natural change of about 9,075 persons.

The 2000 Census found that about 93.3 percent of the state’s foreign-born population — which includes illegal residents — lived in the Chicago metropolitan area. Census Bureau population estimates suggest that the share in 2005 rose to about 95.8 percent of the state’s total foreign-born population. We estimate that more than one in every three foreign-born Illinois residents is illegally in the country. As a result of the concentration of both legal and illegal immigrants in the Chicago metro area, the impact of illegal immigration on the state is largely an issue of what is happening in Chicago.

While the primary responsibility for combating illegal immigration rests with the federal government, there are many measures that state and local governments can take to combat the problem. Illinoisans, whether they live in Chicago or elsewhere in the state, should not be expected to assume this already large and growing burden from illegal immigration simply because local businesses or other special interests benefit from being able to employ lower cost workers. The state and/or local jurisdictions can adopt measures to systematically collect information on illegal alien use of taxpayer-funded services and on where they are employed. Policies then would facilitate federal efforts to hold employers legally and financially accountable.
The state and local jurisdictions could also adopt cooperative agreements — known as 287(g) agreements — with the federal government for training local law enforcement personnel in immigration law. This would facilitate the ability of local law enforcement agencies to identify and turn over to the immigration authorities aliens who are removable from the country.

Illinois is on the brink of adopting a provision for issuing driving certificates to illegal aliens under the guise that these certificates would not serve as identification. The state allows illegal residents who graduated from high schools in the state to attend public colleges at in-state tuition rates. According to a 2005 research study, the state's policy provides a subsidy of $12,920 per foreign illegal resident student. Chicago has a sanctuary policy that accommodates illegal aliens by prohibiting the city's police from asking about immigration status.

While it is reasonable for a state to request federal assistance to compensate for the fiscal burden of illegal immigration, it is also reasonable to limit that assistance if the state is implementing policies that encourage illegal aliens to come to and remain in the state.

**BACKGROUND**

According to official estimates, Illinois had the nation's fourth largest estimated number of illegal immigrants in its population in 2000.

The Immigration and Naturalization Service (INS), now part of the Department of Homeland Security (DHS), estimated that there were 432,000 aliens residing illegally in the state, which was about 6.2 percent of the country's total illegal alien population. Previously, in 1990, the INS estimated that the resident illegal alien population in the state was 194,000 persons — so the estimated illegal alien population was increasing rapidly — more than doubling (122%) in ten years.

In 1993, the Illinois Department of Public Aid and the State Board of Education published a joint study that estimated that during the previous fiscal year the state had outlays of $150 million for costs related to illegal immigrants. The study broke down the major cost areas as: $60 million for K-12 public education, $24 million for Medicaid expenditures, $37 million for state prisons, $4 million for public health programs, and $2 million for adult education classes.

Researchers at the University of Illinois’ Center for Urban and Economic Development estimated in 2002 that the “undocumented immigrant” population was about 5 percent of the Chicago area labor market. This estimate was based on an interview of 1,653 “documented and undocumented immigrants.” The sampling by the researchers found that 80 percent of the adult “undocumented” population and nearly that large a share of workers was Mexican, an additional five percent were Central American in both the adult population and workforce, and the share from other Western Hemisphere countries was 3 percent of adults and 3.2 percent of workers. One estimate of the illegal alien population in Chicago in 2005 was 340,000 persons.
In 2005, demographer Jeffrey Passel for the Pew Hispanic Center estimated the illegal alien population of the state between 375,000 and 425,000. This estimate ascribes to Illinois the nation’s sixth largest number of illegal alien residents (behind Arizona and Florida as well as California, New York and Texas). FAIR’s estimate of Illinois illegal alien population as of 2005 is higher than the Pew estimate, i.e., about 609,000 persons, and, as a result, we ranked the state’s illegal population fourth in the nation (larger than those of Florida and Arizona).

In addition to this estimated illegal alien population, about 200,000 other foreign residents in the state (160,000 long-term illegal residents and 39,000 illegal agricultural workers) received legal residence as a result of the 1986 amnesty. The estimate of the illegal alien population also does not take into account tens of thousands of additional former illegal aliens who have gained legal status since 1986 under other amnesty provisions, e.g., INA Section 245(i) based on a petition by a relative or employer, others granted asylum, or some other form of relief from deportation.

Not only has the illegal alien population in Illinois grown rapidly, the overall foreign-born population — which includes illegal aliens — has shot up since the 1965 change in U.S. immigration law. (See chart). The foreign-born population was 143 percent larger in 2000 than 3 decades earlier, while the native-born population was 23.5 percent smaller. The segment of the population that was second generation (the offspring of immigrants) had increased by 107 percent. In 1970, the immigrant stock population — immigrants and their children — made up less than one-fourth (22.8%) of Illinois’s population. In 2000, that share had risen to nearly half (49%) of the larger population.

### CALCULATING THE COSTS OF ILLEGAL IMMIGRATION

This study is designed to offer a greater understanding of the fiscal impact to the state’s taxpayers resulting from illegal immigration. It focuses on only three major cost areas, and it also estimates what offset there might be as a result of local taxes collected from illegal workers. The study does not look at the value of goods and services produced by illegal alien workers, i.e., their economic contribution, because it is assumed that if the work is essential, and illegal immigrants are unavailable, the work will be done by legal workers, although employers might have to raise their wage offer to attract them.

Not included in the study are any estimates of the costs associated with job displacement of legal workers who are laid off or fail to get a job as a result of the hiring of illegal workers willing to work for lower wages. Those costs, which would include unemployment compensation, welfare outlays, lost taxes, etc., are difficult to quantify because no data exist to indicate how native workers cope with being displaced by illegal workers, i.e., do they receive unemployment insurance payments, do they become qualified for welfare benefits, do they find a new job at a lower or higher salary, do they drop out of the formal labor market?

By mid-1993, the state government calculated that an estimated 270,000 illegal immigrants were costing the state $196 million per year; $95 million for K-12
education, $48 million for medical expenditures, $44 million for incarceration, $6 million for public health, and $3 million for adult education programs. In addition, the state estimated that there were 175 illegal alien families in public housing in Chicago who were subsidized with $800,000 in federal grants. At around the same time Urban Institute researchers were estimating the size of the illegal alien population in Illinois at 244,000 and that the largest components of this population were 139,000 Mexicans, 47,000 Poles, and 15,000 Central Americans.

The Illinois government recognized as early as the mid-1990s that illegal immigration had become a serious burden on the state. In early 1994, Governor Jim Edgar commented that services to illegal aliens had risen to the point that the state had to deny services to U.S. citizens and to legal residents.

National recognition of the fact that the size and characteristics of the illegal immigrant population result in a fiscal burden for the states may be seen in the fact that in the aftermath of the 1986 amnesty for illegal aliens Congress created the State Legalization Impact Assistance Grants (SLIAG) program, which provided $3.5 billion to states to ease the burden of the additional expenses the states were required to assume. Illinois received about one-tenth of the resources in that national program — $35 million — according to a 1993 study. Those grants — which were insufficient to cover the full costs — phased out after about 5 years, and the state's taxpayers subsequently became responsible for bearing the burden associated with this amnestied illegal immigrant population.

More recent recognition of the fiscal impact of illegal immigration on the states may be seen in the establishment of programs to assist Illinois and other states for medical outlays that public hospitals are required by law to provide illegal aliens and for the incarceration of illegal immigrants.

WHAT ARE THE COSTS OF ILLEGAL IMMIGRATION?

The costs of illegal immigration are both quantifiable and non-quantifiable. Because data are generally not collected in a way that identifies whether the recipient is an illegal immigrant, the magnitude of costs generally must be based on educated estimates.

The absence of recorded data on illegal alien enrollment in schools, use of taxpayer-supported medical care, and other public services is not accidental. It is due in large part to the efforts of service providers, civil libertarians, business interests and immigrant support groups that have thwarted data collection efforts in order to keep these costs hidden from the taxpayers who must pay for them. The most recent example of these efforts to obscure the costs of services to illegal aliens may be seen in a campaign in opposition to a requirement that emergency health care providers collect and provide to immigration authorities information on illegal alien patients. The collected information would provide the basis for receiving federal compensation. Health care providers, civil libertarians and illegal immigrant advocacy groups opposed the data collection requirement, and the Department of Health and Human Services dropped its proposed requirement.

Some of the quantifiable cost areas — if data were available — are:

- Educating illegal alien children.
- Educating the U.S.-born children of illegal aliens.
- Subsidizing in-state tuition at public universities for illegal aliens.
- Illegal alien use of emergency medical facilities.
- Well-baby maternity care, delivery expenses, and long-term care that are incurred for children born to illegal immigrants.
- State welfare assistance.  
- Housing subsidies for low-income families.  
- Supplemental educational outlays, e.g., Limited English Proficiency (LEP) program staff salaries and foreign language teaching materials.  
- Foreign language interpretation and translation, especially in the health care, law enforcement and judicial systems.  
- Law enforcement costs apart from incarceration, e.g., investigation, general crime prevention and enforcement, prosecution, judicial management, feeding, medical services, indigent defense, adult probation, juvenile probation, and parole costs. Compensation by the federal government is provided only if the prisoners are deportable aliens and then only cover a small share of the associated prison personnel costs. Nationwide, illegal aliens have an incarceration rate at the state and local level at least 50 percent higher than their numbers among the public at large.  
- American workers who are displaced by illegal foreign workers willing to accept lower wages may qualify for a number of programs paid for by the taxpayer.  
- Tax losses to the state resulting from lowered earnings by workers where wage levels have been depressed by the availability of illegal alien workers, plus taxes lost by the proliferation of illegal aliens working in the underground economy. This leads to a heavier tax burden on other residents.  
- Autopsies (if death is suspicious) and burials of indigents.

Some of the costs are societal and not quantifiable in monetary terms. These include:

- Degraded quality of education resulting from increased numbers of students who lag in educational preparation, English fluency, and support structure at home.  
- Parental liaison, translation at PTA meetings and other school meetings, and newsletters prepared in foreign languages for the school-age children of illegal aliens.  
- Increased insurance rates that are associated with crimes and accidents by illegal immigrants, especially property loss and auto theft.  
- Remittances sent abroad are a cost to the local economy, because the earnings do not remain in the state and contribute to the local economy. If U.S. citizens or legal residents were filling the jobs filled by illegal aliens, the earnings would usually be spent locally with beneficial multiplier effects.  
- Congestion, inconvenience and property value loss, which often coincide with the presence of illegal aliens seeking day-labor jobs or several families sharing a single-family dwelling.  
- Inconvenience of long waits to receive medical attention due to overcrowded emergency rooms of public hospitals, and the permanent closure of emergency rooms in many hospitals due to the overwhelming uncompensated costs.  

Similarly unquantifiable is the erosion of respect for the law when an increasing share of the population lives illegally in the country; when law enforcement officers are required to ignore this law-breaking; when employers illegally hire
Unauthorized workers; and many of those workers are in the underground economy. Social cohesion may be strained by having to cope with increasingly pervasive language barriers and rising income inequality associated with immigration.  

■ UPDATING THE URBAN INSTITUTE COST ESTIMATES

In 1994, in preparation for defending the federal government against lawsuits by the states with the largest illegal alien populations, the Department of Justice contracted with the Urban Institute to study the issue of the fiscal burden borne by the states from illegal immigration. The Urban Institute released its report, Fiscal Impacts of Undocumented Aliens: Selected Estimates for Seven States, in September 1994. That report notes that the state government estimated the annual cost to Illinois and local governments for public education, emergency health care, social services, and incarceration of undocumented immigrants at about $151 million per year.

The study’s methodology compared tax payments at all levels within the state with expenditures on only three programs, albeit the major cost areas of education, health care, and incarceration. The study estimated the total annual fiscal costs to be from $125 million to $136 million — 11–21 percent less than the state estimate. It then estimated the amount of state and local taxes received by the state and local governments from the illegal immigrants as an offset to the costs. The net uncompensated fiscal cost to the state’s taxpayers was estimated at between $31 and $42 million annually.

■ SIZE OF THE ILLEGAL IMMIGRANT POPULATION

In its 1994 study, The Urban Institute based its cost calculation on an estimate of 176,000 illegal immigrant residents in Illinois as of 1992. This was about two-thirds of the state’s estimate of 270,000 persons. The Census Bureau estimated illegal alien residents at between 144,000 and 214,000 persons in 1992.

The INS — after the 2000 Census revealed the official estimates of the illegal alien population during the 1990s were too low — increased its estimate of the illegal alien population in Illinois to 432,000 persons, reflecting the findings of the 2000 Census. A more recent official estimate by DHS of the resident illegal immigrant population in Illinois put the illegal alien population of the state at 520,000 as of 2005 — 5th largest in the country after California, Texas, Florida and New York. The official estimate excludes certain categories of illegal immigrants such as those who have been in the country for less than one year and those granted Temporary Protected Status.

The Pew Hispanic Center released an estimate in April 2006 that Illinois’s illegal alien population in 2005 was between 375,000 and 425 thousand persons — 6th largest (behind the above four plus Arizona). This estimate appears implausibly low given the fact that the higher federal government estimate omits some categories of illegal aliens and the Census Bureau estimates that the immigrant population is rising by about 22,000 more persons each year than is accounted for in official immigration records.
To reflect the steady growth in the resident illegal alien population in the state, this study uses an estimate of 620,000 illegal aliens in the state in 2007. This is about 3.5 times the illegal alien population estimate used in the 1994 cost study. It represents 5.4 percent of the estimated national total illegal alien population, and the nation's 4th largest concentration of illegal aliens after California, Texas, and New York. It is also about 4.8 percent of Illinois’s overall population, and it is the 7th highest per capita concentration of illegal immigrants in the country.

### SIZE OF THE ILLEGAL IMMIGRANT K–12 POPULATION

The U.S. General Accounting Office (GAO) released a report in 2004 on difficulties in estimating state costs of illegal alien schoolchildren. It noted that data are not collected by most school systems, and that makes providing a precise estimate of the illegal alien population in public schools currently not possible.\(^{22}\) The study’s conclusion did not mean, however, that ballpark estimates of the costs were inappropriate or invalid. It should be kept in mind that the cost estimates in this study are necessarily simply ballpark estimates done for the purpose of increasing awareness of the general magnitude of the burden borne by Illinois taxpayers as a result of illegal immigration.

The Urban Institute’s study ten years ago estimated K-12 illegal alien enrollment in Illinois public schools at 24,000 students, higher than the state’s estimate of 17,000 at that time.

FAIR, in its June 2005 research report “Breaking the Piggy Bank: How Illegal Immigration Is Sending Schools Into the Red”\(^{23}\) used an Urban Institute estimate of about 1.1 million illegal alien K-12 school age students nationwide and the federal government’s estimate of the size of the illegal alien population in Illinois. For that study, FAIR estimated that the total illegal immigrant public school population in Illinois in 2004 was about 97,000 students.\(^{24}\)

**Because of the continuing rise in the illegal alien population in Illinois, we estimate that in 2007 the number of illegal alien students in the state’s public schools is about 110,000 persons. That is an increase by about 4.5 times the estimate of K-12 public school population in the 1994 study.**

Our estimate of the illegal immigrant student population does not include those students who are the children of illegal immigrants but were born in this country. The Urban Institute chose to ignore these costs even though these children would not be in the Illinois public school system were it not for the illegal presence of their parents. The cost of educating these additional students is an added fiscal burden that results from illegal immigrant settlement in the state.\(^{25}\)

Jeffrey Passel, one of the Urban Institute researchers who participated in the 1994 and subsequent studies of the school-age population, has estimated that there are nearly twice as many U.S.-born children of illegal immigrant parents as children illegally in the United States (3 million compared to 1.6 million).\(^{26}\) Moreover, most of the children of illegal aliens who are not currently in the school system are below school age and will enter the system within a few years.

**Applying the above described ratio of the U.S.-born children of illegal aliens to their illegal alien siblings leads to an estimated additional 205,000 children of illegal immigrants in Illinois schools in 2007 whose educational costs are included in this study. The combined 315,000 children of illegal aliens in public schools represent about 10 percent of the state’s total K-12 public school enrollment.**\(^{27}\)
COST OF EDUCATING THE ILLEGAL IMMIGRANT K–12 POPULATION

The Urban Institute's 1994 calculation of the cost of K-12 education in Illinois was based on a per-student annual cost to state taxpayers of about $4,667. The state's per pupil cost estimate was nearly a thousand dollars higher — $5,645. If costs remained constant, outlays for the education of the larger 2007 population of illegal alien students would have risen to about $513 million using the Urban Institute data, or $615 million using the state's estimate, and the costs of educating the U.S.-born children of illegal aliens would be about $952 million using the Urban Institute estimate, or $1.15 billion using the state's estimate. Combined, those estimates amount to a cost of nearly $1.5 to $1.8 billion. However, educational outlays have not been constant; they have risen considerably.

Our Piggy Bank research report on educational outlays for illegal immigrant education used an average cost of $8,600 average per pupil as reported by the National Center for Education Statistics (NCES) for Illinois in the 2000–01 school year. This, was adjusted for inflation, resulting in an average cost of educating illegal immigrant students in Illinois in 2004 of about $834 million per year. The cost of educating their U.S.-born siblings was estimated at $1.17 billion per year, for a combined total of about $2 billion.

The most recent National Center for Educational Statistics report average per pupil public school costs in Illinois rose to $10,866 in 2004. According to the NCES, the level K-12 educational funding that comes from the federal government is 7.7 percent. The estimated burden borne by Illinoisans is reduced accordingly, even though the state's taxpayers will be paying some of this federal expenditure through their federal taxes.

The use of an average cost factor may underestimate the costs associated with the illegal resident population. As the authors of the 1994 Urban Institute study explained, “We believe that undocumented aliens are more likely than other students to live in urban areas where per student expenses are relatively high.”

Using the estimate of the current illegal K-12 immigrant population — updated to 2007 — and a per pupil annual cost of $11,000, results in an estimated current cost to Illinois taxpayers of at least $1.1 billion per year. The cost estimate for the U.S.-born children of illegal aliens through the 12th grade is at least an additional $2 billion per year. Thus, the total estimated annual public educational cost from illegal immigration to the Illinois taxpayer is more than $3.1 billion per year.

The admission of illegal aliens into the state's public universities and community colleges at taxpayer subsidized in-state tuition rates is an additional expense not included in the above calculation. FAIR estimated in 2004 the possible cost to Illinois taxpayers from granting in-state university tuition to illegal alien students could be $23.3 to $30.5 million per year.

EMERGENCY MEDICAL OUTLAYS UPDATED ESTIMATE

Estimates of the costs of uncompensated medical outlays are necessarily imprecise. As the GAO noted in a May 2004 report, “Hospitals generally do not collect information on their patients’ immigration status, and as a result, an accurate assessment of undocumented aliens’ impact on hospitals’ uncompensated care costs — those not paid by patients or by insurance — remains elusive.”
However, there is no doubt that illegal immigrant usage of emergency medical care is a burden on local taxpayers, and this was recognized by the U.S. Congress in the Balanced Budget Act (BBA) of 1997, which provided $25 million in annual compensation to states heavily impacted by illegal immigration. Congress renewed and upped the level of assistance ten-fold in 2003 with an appropriation of $1 billion to be apportioned among all states over the 2005–08 fiscal years, i.e., $250 million each year.

The Urban Institute’s 1994 calculation of the annual unreimbursed expense for emergency medical services in Illinois was a range of $7 to $17.4 million. This was lower than the state’s estimate of $18 million, based on a larger estimated illegal alien population. A similar calculation today yields a much higher estimate because of the surge in illegal immigration and because of the higher costs of services.

The Urban Institute based its estimate of uncompensated medical outlays by Illinois taxpayers on data collected by the federal government in the State Legalization Impact Assistance Grants (SLIAG) program. That program, authorized and funded by Congress, helped states cope with the additional services they were required to provide as a result of the 1986 Immigration Reform and Control Act amnesty for nearly 3 million illegal alien residents. Their calculation of the cost was based on their estimate of the size of the illegal immigrant population and the cost of emergency medical services at that time.

As noted above, our estimate of the illegal alien population today in Illinois is about 3.5 times the size estimated by the Urban Institute in its 1994 study. This increase implies, conservatively, that the Urban Institute’s estimated emergency medical outlays would be between $25 to $61 million today if costs were constant — which, of course, they are not. If those medical expenses were simply adjusted for inflation, they would be about $34 to $96 million today.

A Government Accountability Office report furnished an estimate of the costs for inpatient care in hospitals provided to patients without a Social Security number — a surrogate for illegal residence status. That survey found estimated expenditures in Illinois of $75 million in fiscal year 2002 based on an estimated population of 432,000 illegal aliens.32 Not included in this estimate are the outpatient costs associated with treating the illegal alien population in emergency rooms. Those expenses will be higher when out-patient emergency room care is added, and they have increased still further since 2002 as the illegal alien population has grown and as the cost of medical services has also risen.

A study by RAND Corp. researchers estimated that the financial impact on the healthcare system from undocumented immigrants in 2000 was an estimated $6.5 billion nationally.33 Estimating the share of those costs borne by Illinoisans based on the size of the illegal immigrant population would suggest an annual burden of about $350 million.

Our estimates of the emergency medical costs in other states have ranged from a low of about $300 per illegal alien per year in Florida to as high as over $800 in...
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Arizona. These estimates do not include costs associated with the treatment of the U.S.-born children of illegal immigrants because federal reimbursement is available for them. But it is worth keeping in mind that this is an additional related cost resulting from illegal immigration.

We estimate that the annual out-of-pocket expenditures for medical care for illegal immigrants in Illinois in 2007 are likely as much as $350 million. The state was allocated federal compensation of $10.3 million for 2007 by the Centers for Medicare & Medicaid Services. This fraction of the outlay would still leave the amount of the annual uncompensated outlays borne by the state’s taxpayers at about $340 million.

**SIZE OF THE ILLEGAL IMMIGRANT PRISONER POPULATION**

In 1994, the Urban Institute estimated the illegal alien prisoner population to be 348 persons. This estimate was arrived at by comparing state records on foreign-born prisoners with the records of the INS to confirm that the aliens were subject to deportation upon removal. Missed in this process would be any alien prisoner who was not in the INS records — likely a significantly large number of persons. The state, in its estimate, included a corresponding share of persons whose alienage and legal status were unknown and estimated the deportable alien population at 2,780 persons.

In FY 1999, the state documented 1,653 deportable alien prisoner-years in its filing under the State Criminal Alien Assistance Program (SCAAP). More recently, in FY 2003, the state documented for SCAAP reimbursement about 1,900 deportable alien prisoner-years in state and local detention facilities. The number of deportable illegal aliens reported in the SCAAP format understates that population because a number of smaller jurisdictions do not file compensation claims. In Illinois, the SCAAP reporting and distribution included only 30 of the state’s 102 counties.

The SCAAP payments currently are limited to corrections staff salaries proportionate to the share of the deportable aliens. In recent SCAAP distributions, only about one-third of the these salary expenses were compensated. Other expenses, such as the feeding, clothing, transportation, and medical attention provided to those prisoners, are not included in the compensation calculation. Also not included in the SCAAP payments is detention of illegal aliens who are arrested for minor offenses and released in less than four days.

It is safe to assume that the number of deportable alien prisoner-years in Illinois facilities in 2005 was more than 2,600. That is about seven times the size of the illegal alien prisoner population used in the 1994 Urban Institute study but slightly fewer than the state’s estimate of more than ten years ago.

**UNCOMPENSATED INCARCERATION COST UPDATED ESTIMATE**

The Urban Institute calculated in 1994 the annual cost of incarcerating an illegal alien was about $17,826. The state estimated the annual per prisoner cost at $15,680 in 1993. Total unreimbursed costs claimed by the state ($36.8 million) were six times higher than the Urban Institute estimate because of the state’s higher estimate of the illegal alien prisoner population.

SCAAP data indicate that Illinois has received partial compensation for the incarceration costs since 1995. For 1999, the state received about $14 million in compensation, which was 38.6 percent of the reported
expenditures. This meant Illinois taxpayers absorbed more than $22 million in expenses. The average per prisoner cost was calculated by the state at about $22,064, an amount 40 percent higher than the state’s calculation in 1994.

Congress has cut back the appropriations available for SCAAP reimbursement since 1999. In fiscal year 2001, Illinois received SCAAP compensation of $14.4 million, and compensation rose as high as $15.8 million in FY-02 before dwindling to $5.5 million in FY’03 and $3.3 million in FY’04.

According to House Concurrent Resolution 95, which passed the U.S. Senate on March 26, 2003, “the incarceration of undocumented criminal aliens” cost state and local governments more than $13 billion in FY’02. SCAAP payments to the states in that year amounted to $543 million, i.e., less than 4.2 percent of costs. The size of Illinois’ illegal alien population implies that the overall costs of incarceration in Illinois could be as high as $455 million on the basis of the HCR.95 estimate.

Illinois is spending about $7 billion annually on its criminal justice system.\textsuperscript{34} If illegal aliens represented an average participation in that system, their share of the administration of justice costs would be about $217 million. In this study, however, we are including only incarceration costs, not the full range of criminal justice expenditures.

Current per prisoner incarceration costs in Illinois vary widely among institutions such as the Tamms Correctional Center, where costs are estimated at $55,424 per prisoner per year, and the Sheridan facility, where costs are estimated at $38,250, to facilities such as those at Lincoln and East Moline, where average annual costs per prisoner are in the $20-21,000 range.\textsuperscript{35} A 2006 publication of the Illinois Criminal Justice Information Authority identifies the average per prisoner cost at the Sheridan authority as $21,622.\textsuperscript{36}

Given these widely varying estimates, it would appear reasonable to estimate the average annual per prisoner incarceration costs in Illinois at $22,000. At the same time it should be kept in mind that there are many other administration of justice costs that are not included in this estimate.

\textbf{On the basis of an estimated illegal alien inmate population in Illinois of 2,600 prisoner years, and annual per prisoner costs of about $22,000, the total illegal alien incarceration costs are likely more than $60 million per year. Offsetting reimbursements under SCAAP would reduce that to a net amount of out-of-pocket expenditures by Illinois taxpayers of about $55 million.}

As noted above, this estimate includes only a fraction of all criminal costs generated by illegal aliens. Additional expenses could be attributed to overhead costs of running incarceration facilities and the locally jailed population of illegal aliens who are not covered by the SCAAP reporting and reimbursement. In addition, there are numerous other administration of justice expenses, e.g., law enforcement, and prosecution, crime and insurance costs, interpretation and translation, etc., that have not been included in this calculation. As noted above, these additional costs could amount to several times the amount identified in this study.

\section*{\textbf{Offsetting Taxes Paid by Illegal Immigrants}}

The Urban Institute study provided only the researchers’ (but not the state’s) estimate of state and local income tax payments plus sales and property taxes collected from illegal immigrants. These amounted to a total of $94 million. Included in that total were state sales taxes (66%), income tax (6.4%), and state
and local property taxes (27.6 percent). This estimate meant that illegal immigrants, who, according to the 1994 study, constituted 1.5 percent of the state’s population in 1992, contributed less than three tenths of one percent (0.29%) of tax collections that year (1991 for property taxes). Both the size of the illegal immigrant population and sales taxes and property taxes collected have risen with inflation since the 1994 study.

Estimates of tax contributions are inherently difficult because many illegal workers are working in the underground economy, e.g., as day laborers or in sweatshops, and pay no income tax. However, some taxes are being collected from illegal workers even if they work in the “informal sector,” because they pay sales taxes and they pay property taxes, even if only indirectly by contributing to the tax included in the rent of an apartment.

If the Urban Institute’s estimate of state and local tax collections rose in proportion to the rise in the illegal immigrant population, the amount of tax collections from illegal immigrants would be about 3.5 times higher, or $325 million today. However, as sales tax and property tax payments have probably kept up with inflation, this estimate must be further increased to allow for that.

Updating for both the increased illegal immigrant population and for inflation suggests that current annual tax collections from illegal immigrants would be about $308 million in sales taxes, $29 million in income taxes, and $128 million in property taxes — for a total of about $465 million. That represents about a five-fold increase above the Urban Institute’s estimate.

### BALANCING THE OUTLAYS FOR AND RECEIPTS FROM ILLEGAL IMMIGRANTS IN NEW YORK

This analysis of fiscal outlays and receipts associated with illegal immigration indicates a total net cost to Illinois taxpayers of more than $3 billion per year.

<table>
<thead>
<tr>
<th>Category</th>
<th>Outlays</th>
<th>Taxes</th>
<th>Net Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Education</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Illegal Aliens</td>
<td>$1,100</td>
<td></td>
<td>$1,000</td>
</tr>
<tr>
<td>• Children of Illegal Aliens</td>
<td>2,000</td>
<td></td>
<td>2,000</td>
</tr>
<tr>
<td>Uncompensated Medical Care</td>
<td>340</td>
<td></td>
<td>340</td>
</tr>
<tr>
<td>Incarceration</td>
<td>55</td>
<td></td>
<td>55</td>
</tr>
<tr>
<td>Tax Payments</td>
<td>465</td>
<td>-465</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$3,495</td>
<td>$465</td>
<td>$3,030</td>
</tr>
</tbody>
</table>

In 2005 there were about 4.37 million households in Illinois headed by native-born residents. That may have dropped slightly because of the current trend in out-migration of Illinoisans to other states. Nevertheless, using that estimate, the average cost to those Illinois households to support these three programs used by the estimated 620,000 illegal aliens and another 205,000 children of illegal immigrants is at least $695 per native household per year. This cost does not include their additional share of the federal tax burden that results from this same population of illegal aliens.
This per household estimate is higher than the estimated costs per native household nationwide, although not as high as in California ($1,178), reported by a panel of experts for the National Academies of Science (NAS) in 1997 and our estimate of $1,183 per native-headed household in California in 2004. The NAS calculation included costs from both legal and illegal immigrants. The principal author of the NAS report, economist James P. Smith, noted that, "The undocumented tend to be less skilled, less educated," thereby implying that the higher the share of illegal immigrants in the immigrant population, the higher are likely to be the costs because of their lower earnings and tax payments.

**FUTURE IMPLICATIONS**

Over the past decade, Illinois taxpayers have been required to assume a growing burden in governmental outlays because of the rising number of illegal aliens living in the state. Unless measures are taken to stem the flow of illegal immigration, these costs may be expected to continue to rise. The rise in the illegal alien population, if it should continue to increase at the same rate at which it has grown over the past decade — approximately doubling — could reach as many as a million persons in another ten years with a corresponding doubling in fiscal costs.

Whether or not today’s illegal residents were to gain legal status — as provided for in currently proposed legislation — an amnesty would not ease the cost burden on the Illinois taxpayer, because the illegal alien population, in general, does not have the educational preparation or work skills that would allow it to move to higher paying jobs and contribute more in tax payments. Rather, the adoption of any amnesty provision more likely would increase the ability of illegal immigrants to access public services — and, therefore, increase their fiscal burden.

Views differ markedly on how to deal with illegal immigration. That difference may be seen in the views of two of Illinois’ representatives in Congress.

"We agree that we cannot support the Senate amnesty bill. This Democrat immigration bill (S.2611) wouldn’t secure the border. It would erase it." —Rep. Dennis Hastert (R-IL), then House Speaker

“We can all agree that it’s time to reform our outdated immigration laws and the STRIVE Act (HR.1645) does just that. It balances border security with enhanced worker protection and addresses the economic reality of this nation. And equally as important, this bill treats all immigrants with dignity and respect.” —Rep. Rahm Emanuel (D-IL)

The difference in view boils down to whether the primary emphasis in immigration reform should be on forging a firm immigration law and implementation plan that convinces would-be illegal residents that their presence will no longer be tolerated, or, rather, whether illegal residents should be considered as simply additional members of the immigrant community who we will ‘treat with respect,’ i.e. with a policy that incorporates them into our society. This latter approach is in effect a continuation of the path of amnesty for illegal immigrants that was paved in the 1986 Immigration Reform and Control Act.

**RECOMMENDATIONS**

The significant fiscal costs to Illinoisans arising from illegal immigration are not inevitable. While the federal government has the primary responsibility for enforcing immigration laws, state and local governments have a role to play that can either discourage or encourage illegal immigrants settling in their
area. For example, state and local policies can either facilitate or hinder federal immigration law enforcement efforts.

While Illinois should not be expected to bear an unfair burden resulting from the federal government’s failure to enforce the country’s immigration law, it would be similarly unfair that the state have its fiscal costs underwritten by taxpayers across the country if the state has adopted laws or policies that encourage the settlement of illegal immigrants in the state.

Examples of state and local policies that undermine federal immigration law enforcement efforts and encourage illegal immigrant settlement include the following:

- Issuing state driver’s licenses and/or certificates to illegal aliens, e.g., HB1100, which passed the Illinois House on March 28, 2007 (and is currently under consideration in the Senate as of this writing).
- Extending public assistance program eligibility to illegal aliens, e.g., furnishing KidCare eligibility to children without regard to their legal presence.
- Interfering with efforts of employers to assure a legal workforce, e.g., restricting employers from verifying employees’ work authorization, as in HB1744, which passed both Illinois legislative branches May 22, 2007.
- Offering in-state tuition to illegal alien students — as the state has done.
- Adopting sanctuary or don’t-ask-don’t tell policies that shield illegal aliens from immigration authorities — as is the case in Chicago.43
- Providing governmental support for or tolerance of formal or informal hiring centers where illegal aliens seek day-labor jobs.
- Accepting foreign government-issued identity cards as establishing residence in the state.

Examples of state and local government practices that discourage illegal alien residence and facilitate federal enforcement of the immigration law include the following:

- Establishing systematic data collection for illegal alien use of public services.
- Adopting policies to identify employers of illegal aliens in order to put an end to their ability to exploit low cost illegal alien labor and pass costs on to the public.
- Requiring the collection and verification of Social Security numbers for the issuance of unrestricted driver’s licenses and identity cards.
- Issuing restricted driver’s licenses to aliens legally present in the state so that the license expires when the authorized stay in the United States expires.
- Refusing to accept the validity of driver’s licenses from states that allow illegal aliens to obtain licenses without supporting documents that prove an applicant’s legal residence.
- Entering a cooperative agreement with federal immigration authorities for training local law enforcement personnel in immigration law enforcement — termed 287(g) agreements — so that illegal immigrant law breakers are turned over to the immigration authorities for removal from the country rather than being released back into society.
- Requiring contractors working on government contracts to participate in the Basic Pilot document verification system for their employees.

**LOCAL REFORM ACTIVISTS SHOULD ALSO FOCUS ON NATIONAL POLICIES**

Illinoisans have a right to expect their national and local elected representatives to be working to alleviate the fiscal burden of illegal immigration. To simply convert illegal alien residents to legal resident status
with an amnesty violates a fundamental principle of immigration reform, because that will encourage rather than deter future illegal immigration. A policy that conveys the message that the country or any state or local government will tolerate and reward foreigners who ignore our immigration law invites the world to see illegal immigration as an accepted route to seeking a better life in our country and perpetuates the problem.

As the late Barbara Jordan, a former member of Congress from Texas and chair of the U.S. Commission on Immigration Reform, summed up her view on immigration;

> *The credibility of immigration policy can be measured by a simple yardstick: people who should get in, do get in; people who should not get in are kept out; and people who are judged deportable are required to leave.*


Most Illinoisans agree with Dr. Jordan’s view. The Northern Illinois University’s Center for Government Studies released the Illinois Policy Survey taken from November of 2006 until January of 2007 (of 1,200 residents of voting age) found that:

- 66% find that illegal immigration is a problem: either a ‘big problem’ (32%) or ‘somewhat of a problem’ (34%).
- 66% favor punishing employers who hire illegal immigrants.
- 47% support laws against landlords who rent to illegal immigrants.

Illinois elected representatives owe it to the state’s citizens and legal residents to uphold the principle that the United States is founded on respect for the rule of law, and to act in ways that demonstrate the country does not accept those who disrespect our immigration law.
ENDNOTES


2 Congress adopted measures in 1996 that barred local ordinances that prohibited employees from providing information on illegal aliens to federal officials. The law says, “Notwithstanding any other provision of Federal, State or local law, a Federal, State, or local government entity or official may not prohibit or in any way restrict any government entity or official from sending to or receiving … information regarding the citizenship or immigration status, lawful or unlawful, of any individual.”


4 Mehta, Chirag, Nik Teodore, Iliana Mora, and Jennifer Wade, “Chicago's Undocumented Immigrants: An analysis of Wages, Working Conditions and Economic Conditions,” February 2002. The researchers found “significant wage penalties” incurred by illegal workers, which implies that employers were exploiting these workers by paying less than prevailing wage rates – a practice that discriminates against American workers.


8 Passel, Jeffrey S. and Rebecca Clark, “Taxes Paid by Immigrants in Illinois,” Urban Institute, undated.


12 Department of Health & Human Services letter of October 1, 2004, from Dr. Mark B. McClellan, Administrator to National Alliance for Hispanic Health stating, “Our intention is to accept the public comments that suggested the use of indirect, non-burdensome eligibility methods to target the funds using methods that do not require providers to obtain direct evidence of a patient's immigration status.”

13 “States Grapple With In-State Tuition for Illegal Immigrants,” FOX News, March 6, 2006. The news account cited a 2003 study by the University of Illinois at Chicago’s Center for Urban Economic Development that estimated that if all of Illinois’ 2,226 eligible undocumented students that year graduated from Chicago high schools and attended a public university, the annual cost to the state would be between $3.3 million and $11.6 million.


15 According to statistics collected by the U.S. Department of Education, LEP enrollment in Illinois in 2004-05 was nearly 193,000 students and the share of LEP students has risen from 3.5 percent of enrollment in K-12 classes in 1989-90 to 9.2 percent in the 2004-05 school year.

16 Martin, Jack, "Illegal Aliens and Crime Incidence: Illegal Aliens Represent a Disproportionately High Share of the Prison Population," FAIR, March 2007. In this study, Illinois had a slightly lower rate of criminal alien presence in the prison population than their estimated presence in the overall population of the state (3.1% vs. 4.2%)
17  Huddle, Donald, "The Net National Costs of Immigration," Carrying Capacity Network, Washington, DC, 1994. The study calculated probable costs based on one American out of work for every four illegal residents. Factoring in unemployment compensation, uncompensated medical outlays, food stamps and other assistance, Huddle calculated that the costs would be about $2,500 per year per displaced worker.

18  "Hospital-Based Emergency Care: At the Breaking Point," National Academies Press (2006). “…many patients come in the front door, but not enough can be admitted to the hospital in a timely manner to make room for more incoming patients. As admitted patients back up in the ED, crowding becomes severe. ED overcrowding blocks access to emergency care, induces stress in providers and patients alike, and can lead to errors and impaired quality of care. …Substantial financial losses and ED and trauma center closures have been attributed to uncompensated emergency and trauma care.* (p.16)


22  GAO-04-733, June 2004 op.cit.


24  Dr. Steven Camarota, research director for the Center for Immigration Studies, stated on March 20, 2007 as an expert witness in the Hazleton trial that the illegal alien student population tends to be from one-third to one-half of the number of students enrolled in ELL/LEP public school classes. In Illinois that enrollment was 192,764 in the 2004-2005 school year — making the estimated illegal alien student population about half of that enrollment.

25  FAIR believes that the practice of conferring U.S. citizenship on children born in the United States to illegal aliens is a misapplication of the U.S. Constitution’s 14th Amendment. It disregards the “subject to the jurisdiction thereof” clause of the Amendment.


28  Table 245. Public Elementary and Secondary Estimated Finances, 1980 to 2004, and by State, 2004, (http://www.census.gov/compendia/statab/education/) website consulted March 22, 2007. According to this table, 77 percent of the funding comes from the federal government, 30.4 percent is state revenue and 61.9 percent is local revenue. Illinois ranked 9th highest in per pupil expenditures.


37 According to the Center for Immigration Studies ("The High Cost of Cheap Labor," August 2004), “…we estimate that more than half of illegals work ‘on the books’.


39 “The New Americans: Economic, Demographic, and Fiscal Effects of Immigration,” National Academies of Science, May 1997, Washington, DC. The estimated net cost in California was $1,178 per year, but a significantly higher proportion of its population were illegal aliens according to the government's estimate, i.e., 6.5 percent in California compared to 3.5 percent in Illinois in 2000.


43 “Chicago Declared an Immigrant Sanctuary,” La Raza, May 26, 2006. “Chicago has been designated a ‘sanctuary’ for undocumented immigrants… [in an ordinance] passed unanimously by the City Council March 29.”

This report was prepared by Jack Martin.
The Federation for American Immigration Reform (FAIR) is a national, nonprofit, public-interest, membership organization of concerned citizens who share a common belief that our nation’s immigration policies must be reformed to serve the national interest.

FAIR seeks to improve border security, to stop illegal immigration, and to promote immigration levels consistent with the national interest—more traditional rates of about 300,000 a year.

With more than 250,000 members and supporters nationwide, FAIR is a non-partisan group whose membership runs the gamut from liberal to conservative. Our grassroots networks help concerned citizens use their voices to speak up for effective, sensible immigration policies that work for America’s best interests.

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