

FEDERATION FOR AMERICAN IMMIGRATION REFORM

Immigration REPORD

JULY/AUGUST 2010

This issue highlights a new, groundbreaking report from FAIR. The Fiscal Burden of Illegal Immigration on U.S.

Taxpayers takes a comprehensive look at the estimated fiscal costs resulting from federal, state and local expenditures on illegal aliens and their U.S.-born children.

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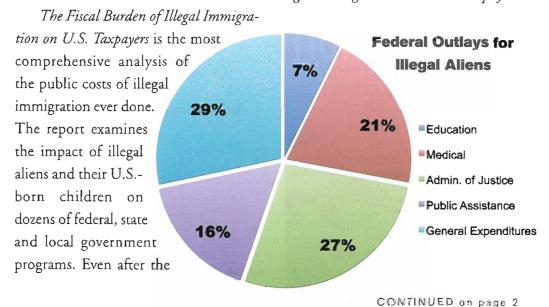
U.S. Taxpayers Spend \$113 Billion **Annually on Illegal Aliens**

FAIR Study Is Most Comprehensive Accounting of Costs of Illegal Immigration

new report by FAIR, issued in July, takes a comprehensive look at the fiscal costs associated with illegal immigration at the federal, state and local levels. According to the findings of the study, the annual cost of illegal immigration to U.S. taxpayers is \$113 billion. Taxpayers incur some \$28.6 billion in federal costs, but are also saddled with an \$84.2 billion burden at the state and local level.

\$113 billion annual price tag is offset by tax collections from illegal aliens, the net cost to U.S. taxpayers is \$100 billion. However, as the report notes, the \$13 billion a year of tax revenues from illegal aliens is misleading because government tax collections would likely have been considerably greater if legal U.S. workers had filled the jobs held by illegal aliens.

The release of The Fiscal Burden of Illegal Immigration on U.S. Taxpayers



State/Local Fiscal Outlays for Illegal Aliens 12% 10% 58%

- Education
- Medicaid
- **SCHIP**
- □ Justice
- Welfare
- General

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Federal Expenditures on Illegal Aliens

| | | Federal Expenditures on Illegal Aliens | | | |
|----------------------|-----------|--|------------------|-----------------|--|
| 1 | EDUCATION | Title I Program | \$1,332,900,000 | | |
| | | Migrant Education Program | \$236,900,000 | | |
| | | Title III Program | \$538,000,000 | | |
| | | Education Subtotal | | \$2,107,800,000 | |
| | MEDICAL | Emergency Medical Care | \$250,000,000 | | |
| | | Fraudulent Use of Medicaid | \$1,235,000,000 | | |
| | | Medicaid Cost of Childbirth | \$1,238,100,000 | | |
| | | Medicaid for Children | \$1,626,800,000 | | |
| | | Other Medical Outlays | \$1,600,000,000 | | |
| | | Medical Subtotal | | \$5,949,900,000 | |
| LAW ENFO | FORCEMENT | SCAAP Compensation | \$330,000,000 | | |
| | | Federal Incarceration | \$678,400,000 | | |
| | | Byrne Grants | \$24,300,000 | | |
| | | Detention and Removal | \$2,545,000,000 | | |
| | | Project Safe Neighborhoods | \$39,500,000 | | |
| | | Residual ICE Functions | \$2,824,000,000 | | |
| | | Exec. Office of Immigration Review | \$222,500,000 | | |
| | | Southwest Border Prosecution | \$33,000,000 | | |
| | | National Guard | \$642,000,000 | | |
| | | Coast Guard | \$500,000,000 | | |
| | | Law Enforcement Subtotal | | \$7,838,700,000 | |
| PUBLIC,A | SSISTANCE | Free and Reduced Meal Program | \$2,264,600,000 | | |
| | | Temporary Assist. Needy Families | \$1,030,000,000 | | |
| | | Housing Assistance Programs | \$637,000,000 | | |
| | | Child Care & Development Fund | \$633,000,000 | | |
| | | Public Assistance Subtotal | | \$4,564,600,000 | |
| GENERAL EXPENDITURES | | | | \$8,184,400,000 | |
| | | TOTAL | \$28,645,400,000 | | |

State/Local Expenditures on Illegal Aliens (\$M)

| STATE | COST | STATE | COST |
|-------------|----------|--------------|----------|
| Alabama | \$298 | Montana | \$32 |
| Alaska | \$139 | Nebraska | \$262 |
| Arizona | \$2,569 | Nevada | \$1,191 |
| Arkansas | \$244 | N.H. | \$129 |
| California | \$21,756 | New Jersey | \$3,478 |
| Colorado | \$1,451 | New Mexico | \$608 |
| Connecticut | \$957 | New York | \$9,479 |
| D.C. | \$312 | N. Carolina | \$2,063 |
| Delaware | \$305 | N. Dakota | \$33 |
| Florida | \$5,463 | Ohio | \$765 |
| Georgia | \$2,399 | Oklahoma | \$465 |
| Hawaii | \$155 | Oregon | \$705 |
| Idaho | \$188 | Penn. | \$1,378 |
| Illinois | \$4,592 | Rhode Island | \$278 |
| Indiana | \$608 | S. Carolina | \$391 |
| lowa | \$350 | S. Dakota | \$39 |
| Kansas | \$442 | Tennessee | \$547 |
| Kentucky | \$326 | Texas | \$8,878 |
| Louisiana | \$224 | Utah | \$453 |
| Maine | \$66 | Vermont | \$63 |
| Maryland | \$1,724 | Virginia | \$1,905 |
| Mass. | \$1,862 | Washington | \$1,510 |
| Michigan | \$929 | W. Va. | \$71 |
| Minn. | \$744 | Wisconsin | \$883 |
| Miss. | \$106 | Wyoming | \$59 |
| Missouri | \$338 | TOTAL | \$84,211 |

comes at a critical moment, as the Obama administration is reviving discussion of a sweeping amnesty for millions of illegal aliens. Contrary to the assertions of illegal alien advocates, the report finds that amnesty would likely increase fiscal costs over time. Although granting amnesty would result in marginal increases in taxes collected from current illegal aliens, newly legalized illegal aliens, now eligible for countless means-tested government assistance programs, would significantly increase the fiscal burdens.

The \$113 billion annual outlay for illegal immigration breaks down to an average cost of \$1,117 per native-headed U.S. household. But, because illegal aliens are not evenly distributed around the country, families in states with high levels of illegal immigration bear a significantly larger burden.

At the federal level, the costs of illegal immigration are fairly evenly distributed among a variety of programs. At the state and local level, education costs — including K-12 schooling, higher education, and English-language instruction — account for 58 percent of government outlays. The report provides

Receipts from Illegal Aliens

| TAX CATEGORY | FEDERAL | STATE/LOCAL |
|--------------------------|------------------|-----------------|
| Income | -\$2,302,800,000 | \$244,200,000 |
| Social Security | \$7,000,000,000 | |
| Medicare Tax | \$1,637,100,000 | |
| Excise and Miscellaneous | \$2,489,700,000 | |
| Employer (FUTA & Income) | \$632,600,000 | |
| Property tax | | \$1,378,000,000 |
| Sales Tax | | \$2,333,000,000 |
| TOTAL | \$9,456,600,000 | \$3,955,200,000 |

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U.S. COST STUDY continued

state-by-state costs breakdowns of the costs associated with illegal immigration. In all 50 states and the District of Columbia, the costs of illegal immigration exceed the amount of revenues collected from illegal residents. California, alone, bears about one-quarter of the costs incurred by state and local governments — more than \$21 billion.

In 18 states, including California, the annual cost of illegal immigration exceeded the 2009 budget shortfall. Oklahomans spent more than \$458 million on programs and services for illegal aliens in 2009, which amounted to an astounding 6.838 percent of the state's \$7 million budget deficit.

The full text of *The Fiscal Burden of Illegal Immigration on U.S. Taxpayers* includes a program by program breakdown of the share of federal, state and local government spending on illegal aliens and their families. Advocates for illegal aliens have long attempted to argue that illegal aliens are a net fiscal positive, contributing more in taxes than they consume in public services and benefits. *The Fiscal Burden of Illegal Immigration on U.S. Taxpayers* responds definitively to that canard with verifiable data that demonstrates the enormous



public burdens imposed by the government's long-term failure to enforce immigration laws.

The complete report, with detailed explanations of how cost estimates were calculated, and a "national balance sheet" that includes all

of the bottom line costs, are available at FAIR's website, www.fairus.org.

Fremont, Nebraska, Voters Overwhelmingly Approve Immigration Enforcement Ordinance

Whenever and wherever citizens are given the opportunity to vote on measures aimed at enforcing immigration laws, those ballot measures are invariably approved — often by large margins. Such was the case once again on June 21, when voters in Fremont, Nebraska, approved an ordinance that punishes employers who hire illegal aliens and landlords who rent to them. The measure was approved by a 57 percent to 43 percent margin, over the objections of the mayor and many on the city council.

The ordinance approved by Fremont voters, like many similar ones around the country, was drafted with the assistance of the Immigration Reform Law Institute (IRLI), FAIR's public interest law affiliate. IRLI has developed a national reputation for its expertise in drafting legislation that allows states and cities to enforce immigration laws, and that can withstand inevitable legal challenges by illegal alien advocacy groups.

The American Civil Liberties Union (ACLU), which has consistently fought efforts to enforce immigration laws nationwide, vowed to file suit to block the voter approved measure from taking effect. "Our intention is to make sure the law does not go into effect for even one day," said Amy Miller of the Nebraska chapter of the ACLU.

In fact, the threat of a lawsuit was the argument used by opponents of the measure as they attempted to convince Fremont voters to reject it. In the effort to prevent state and local governments from enacting local enforcement policies, illegal alien advocacy groups are increasingly using the threat of costly litigation to intimidate voters and local lawmakers. In an effort to dissuade local voters, city officials warned residents that approval of the ordinance could result in

Obama States Administration's Position on Immigration: No Enforcement Without Amnesty

the Congressional Hispanic Caucus, President Obama publicly addressed the immigration issue in a July 1 speech at American University in Washington, D.C. In the address, the president reaffirmed his commitment to an immigration overhaul that includes guarantees of amnesty for nearly all current illegal aliens plus increased flows of legal immigration — "reforms" that have been repeatedly rejected by the American people.



President Obama sharply criticized Arizona's recently enacted state-based enforcement policy, and pointed to it as a reason why his vision of "comprehensive" immigration reform must be passed. As he has done in the past, the president acknowledged that the lack of meaningful immigration enforcement was fueling widespread public frustration. However, he refused to accept any responsibility for his own administration's efforts to systematically dismantle effective immigration enforcement programs. Instead, the president argued that current immigration laws are "unenforceable," making it clear that his administration is unlikely to address the frustrations of the American people unless the demands of the open immigration lobby are met.

Significantly, President Obama offered no timetable for passage of a comprehensive amnesty bill. Instead, the speech seemed designed to demonstrate to the amnesty lobby that he is making an effort on their behalf, while blaming the lack of Republican support for the failure to deliver a sweeping amnesty. Core constituency groups have threatened to withhold support from Democrats in the November elections if an amnesty is not passed. While these constituencies represent only a very small slice of the electorate, their votes could be crucial in what is shaping up to be a very hot election cycle.

The American University address was preceded by two days of face-to-face meetings with amnesty advocates. On successive days, President Obama met at the White House with leaders of open immigration advocacy groups, and with members of the Hispanic Caucus. Key amnesty supporters, including Rep. Luis Gutierrez (D-Ill.) and Frank Sharry, executive director of America's Voice, came away from those meetings seemingly resigned to the reality that there is insufficient congressional support to get a mass amnesty bill passed in 2010.

While illegal alien advocates have not abandoned efforts to get a sweeping amnesty bill this year, some of them are turning their efforts to promoting "targeted" amnesty proposals. These include the DREAM Act and AgJOBS, which would grant amnesty to millions of illegal aliens under the age of 35 and to illegal aliens who have, or claim to have, worked in agriculture.

Until the 111th Congress is adjourned, FAIR will continue to take the threat of a sweeping amnesty seriously while working to block unwarranted and harmful amnesty proposals like the DREAM Act and AgJOBS. FAIR will also continue to publicize the Obama administration's refusal to enforce existing immigration laws. Since taking office a year and a half ago, the administration has failed to secure our borders, has ended meaningful worksite enforcement, has limited the ability of state and local police to carry out immigration enforcement, and has refused to detain or remove non-violent illegal aliens.



NEW MEXICO

Albuquerque Mayor Richard Berry made good on a campaign promise and announced that the city's police department will begin checking the immigration status of everyone who is arrested. Under Mayor Berry's new policy, Albuquerque will also provide space for ICE officials at the city's Prisoner Transport Center. The mayor's enforcement policies stand in sharp contrast to those of Gov. Bill Richardson, an ardent opponent of immigration enforcement and a staunch amnesty advocate.

VIRGINIA

Prince William County is enforcing one of the most effective local immigration policies in the country. Now, Corey Stewart, a member of the Prince William County Board of Supervisors, is attempting to extend the policy statewide. Stewart announced that he is drafting legislation similar to the one enacted in Arizona and seeking sponsors for it in the Virginia legislature for the 2011 session. "This would go further than what Prince William did in 2007 and follow in the footsteps of what Arizona did," Stewart said. He also predicted that the measure would be widely popular with Virginia voters.

PENNSYLVANIA

In May, state Rep. Daryl Metcalf introduced his own version of Arizona's new immigration enforcement law. In June, Philadelphia Mayor Bill Nutter announced that he intends to end a program that allows ICE to examine Philadelphia's arrest records and identify illegal alien criminals. Among the key provisions of the legislation Rep. Metcalf is proposing is one that would override such sanctuary policies that shield illegal aliens from detection.

NEBRASKA ORDINANCE continued

higher taxes and reductions in services if the city is forced to defend the law in court.

Ali Noorani, executive director of the open borders advocacy organization, the National Immigration Forum, explicitly warned, "Local legislation is going to end up costing taxpayers millions of dollars." Even if local ordinances are ultimately upheld by the courts, the aim of groups like the National Immigration Forum is to ensure that victory is as costly as possible to local residents who want immigration laws enforced.

The intimidation tactics of the illegal alien advocacy network do not appear to be having the desired effect on citizens all across the country who are fed up with endless illegal immigration, rising costs for basic services, and the federal government's unwillingness to enforce laws. Ordinances, like the one approved in Fremont, and state laws, such as the one recently enacted in Arizona, have generated public pressure for the adoption of similar policies in other jurisdictions. More than a dozen states are considering legislation similar to Arizona's. Voters in other communities have taken note of what Fremont residents have done. "There will be a ripple effect," said an immigration reform activist in a nearby Iowa community. "Towns are screaming for help. They're crying for help."

Obama Administration Sues Arizona Over State's Enforcement Law

The U.S. Department of Justice (DoJ) filed suit in federal court against the state of Arizona in an attempt to prevent implementation of a state law designed to allow local authorities to enforce federal immigration policies. In its suit, the federal government charges the law, known as S.B. 1070, is unconstitutional, and seeks an injunction to prevent it from going into effect on July 29.

S.B. 1070 was approved by the legislature and signed by Gov. Jan Brewer in April and is scheduled to go into effect on July 29. The highly popular law has been widely criticized by the Obama administration, including by the president himself and high-ranking members of his administration.

The suit, filed July 6, charges that Arizona's law infringes on the federal government's exclusive authority over immigration policy and would force federal authorities to divert resources from what the administration claims are higher priorities. Implicit in the complaint filed by DoJ is that Arizona's policy of detaining illegal aliens will force the federal government to enforce its own laws - something the Obama administration clearly does not want to do. Notably, the federal lawsuit does not make the argument that implementation of S.B. 1070 would likely lead to racial profiling, a persistent charge of the illegal alien advocacy network.

In addition to the DoJ lawsuit, at least five other lawsuits have been filed by organizations that advocate for illegal aliens. Preliminary hearings on the various suits were scheduled for July 15 and

July 22 (after the completion of this newsletter).

FAIR and the Immigration Reform Law Institute, which worked closely with the legislation's authors, believe that the law will eventually be upheld by the courts. Moreover, DoJ's tactic of adding significant legal costs on top of the billions of dollars local taxpayers are forced to spend on services for illegal aliens is an unconscionable abuse of federal power

INSTEAD OF SUING ARIZONA
FOR ATTEMPTING TO ENFORCE
FEDERAL POLICIES, THE
AMERICAN PEOPLE WOULD BE
FAR BETTER SERVED IF THE
OBAMA ADMINISTRATION
WOULD PUT THE RESOURCES
BEING USED TO FIGHT
ARIZONA INTO EFFORTS TO
COMBAT ILLEGAL
IMMIGRATION.

that demonstrates the lengths the administration is prepared to go to achieve its political goal of amnesty for illegal aliens.

Gov. Brewer called the suit "nothing more than a massive waste of taxpayer funds," and vowed to mount a vigorous defense of S.B. 1070. The governor and others noted that instead of suing Arizona for attempting to enforce federal policies, the American people would be far better served if the Obama administration would put the resources being used to fight Arizona into efforts to combat illegal immigration.

Ironically, the decision of the federal government to fight S.B. 1070 in court will result in the expenditure of many millions of dollars by the federal government and the state of Arizona at a time when both are facing daunting budget deficits. As federal taxpayers, law-abiding Arizonans will be forced to foot part of the bill for Washington's legal expenses. As state taxpayers, they will also be forced to pay for the Arizona's defense of the law. All the while, these same taxpayers will have to foot the bill for the estimated \$2.5 billion Arizona spends on illegal aliens and their dependents each year.

While the primary goal of the DoJ suit is to prevent Arizona from enforcing S.B. 1070, it is also meant to intimidate other states or local governments that are contemplating similar laws. The clear message from the Obama administration is that local enforcement policies will result in a costly and protracted legal battle with the federal government.

In the face of intimidation by the Obama administration and illegal alien advocacy groups, the Arizona law continues to enjoy broad public support in Arizona and around the nation. According to a nationwide Rasmussen poll, 61 percent of voters support adoption of an Arizona-style law in their own states, while just 28 percent would oppose one. Perhaps even more significantly, a poll of Colorado voters commissioned by the Denver Post found that 62 percent of Hispanics support the Arizona law, almost identical to the 61 percent of white Coloradans who say they support the law.

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