



FAIR FEDERATION FOR AMERICAN IMMIGRATION REFORM

The Costs of Illegal Immigration to Georgians

by Jack Martin, Director of Special Projects

“Gov. Sonny Perdue of Georgia, facing a deficit of more than \$2 billion, a tenth of the state budget, has asked agencies to come up with cuts across the board . . .”

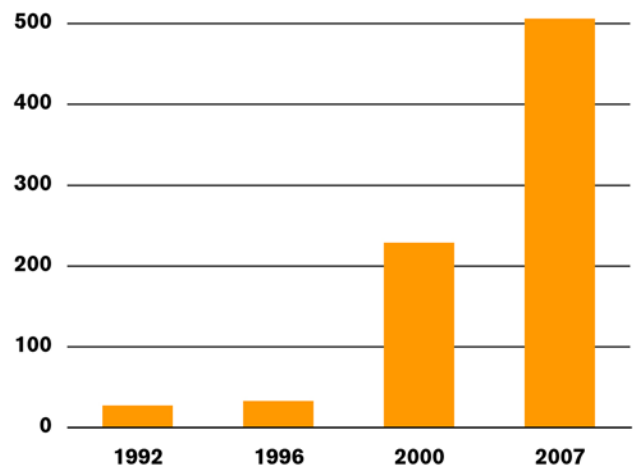
—New York Times, October 8, 2008

Georgia has a fast growing illegal alien population estimated at about 495,000 persons, and the fiscal burden on Georgians resulting from public services used by that population are similarly growing rapidly. The federal government estimated Georgia's illegal alien population at 228,000 persons as of 2000 and it raised that estimate to 490,000 persons in 2008.¹ The federal estimates suggest that over 90 percent of the increase in the foreign-born population in Georgia since 2000 has resulted from illegal immigration.

This rapid rise in Georgia's illegal alien population has prompted the state legislature to take action to discourage illegal immigrant settlement in the state.² These efforts are a positive responsive to public opinion in the state. A 2006 state poll found that more than three-fourths (78%) of likely voters said that it is “important” that the state legislature restrict state services to illegal aliens.³ It remains to be seen to what extent the state's action when fully implemented will reverse the growth trend.

FAIR estimates that the annual fiscal burden on Georgia taxpayers from illegal immigration is more than \$1.6 billion. That equates to an annual cost of about \$523 per native-born headed household. Estimated tax collections from the illegal alien population of

Estimated Illegal Alien Population
(in thousands)



about \$273 million would reduce that per native-headed household burden to about \$434 per year. But it should be kept in mind that the departure of those illegal workers would not necessarily mean any drop in state revenue. If they were replaced by U.S. or legal foreign workers, tax receipts might rise.

This study examines only the most visible portion of state fiscal costs of illegal immigration, i.e., expenditures related to education, medical care and incarceration. A number of other costs borne by Georgia taxpayers are not included in this study. In addition, a portion of Georgian's federal taxes are also going to cover costs associated with illegal immigration, such

as the federal contributions to English instruction programs and partial reimbursements for medical costs and incarceration of illegal aliens. Therefore, the burden on Georgia taxpayers from illegal immigration described in this report is understated.

The more than \$1.6 billion fiscal burden borne by Georgia taxpayers annually result from outlays in the following areas:

- **Education**

Based on an estimate of 64,100 school-age illegal aliens and 89,700 U.S.-born school-aged children of illegal aliens and estimated per pupil costs of \$8,500 per year for public K-12 schooling, Georgians spend about \$1.37 billion annually on educating the children of illegal immigrants. An additional \$81 million is being spent annually on programs for limited English students most of whom are likely children of illegal aliens. Those estimates exclude federal contributions to those programs. Nearly one in ten (9.7%) K-12 public school students in Georgia is the child of an illegal

alien, and this presence has been increasing as the illegal resident population increases.

- **Health Care**

State-funded uncompensated outlays for health care provided to Georgia's illegal alien population amount to an estimated \$210 million a year. That is a net cost after crediting compensation from the federal government. Additionally, Georgians who have medical insurance also pay higher medical insurance bills to help cover the costs of those without insurance.

- **Incarceration**

The cost of incarcerating deportable aliens in Georgia's state and local prisons amounts to about \$22.6 million a year. This estimate also is a net amount after deducting compensation from the federal government. It does not include short-term detention costs, related law enforcement and judicial expenditures, or the monetary impact of the crimes that result in incarceration.⁴

EDUCATIONAL COSTS

• K-12 Enrollment of Illegal Aliens

Just as the size of the illegal immigrant population must be estimated, so too must the school-aged population in public schools be estimated.

In 2000, a research report by the Pew Hispanic Center estimated there were 1.1 million K-12 age students nationally who were illegal aliens and an additional about 1.54 million K-12 students who were U.S.-born siblings of those illegal alien students.⁵ This represented a school-age population of illegal aliens that was about 12.9 percent of the overall illegal alien population. Using the assumptions in the Pew study, our earlier estimate of the cost of K-12 education for the children of illegal aliens in Georgia put the cost in 2005 at \$952 million.⁶

Based on our estimate of the illegal immigrant population in 2007, and again applying the shares from the Pew study, we estimate that there currently are about 64,100 illegal immigrant children in Georgia's public school system and an additional about 89,700 siblings, whose presence is due to their birth to an alien illegally residing in this country.

We consider that the children born to illegal immigrants in this country are a logical part of the calculation of fiscal outlays. If the parents were not in the country in violation of our law, the child would not be born and raised here. Similarly, the parents may be expected to take children born here — who are dual nationals — back with them to their home country. The only difference in the costs to the taxpayer de-

pending upon whether the child of an illegal immigrant is born here is that the taxpayer is required to assume even greater public assistance responsibility for a child born in this country if that child is living in poverty.⁷

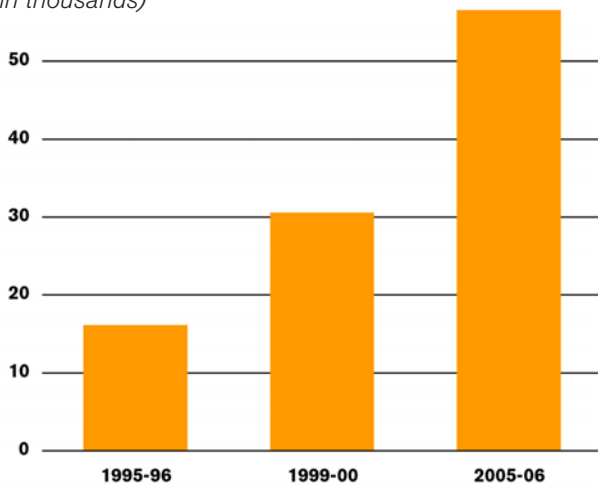
The estimated average annual educational expenditure per student for public school education in Georgia is about \$8,800.⁸ However, about four percent of that comes from the federal budget. Thus, an average expense of \$8,450 per student is borne by Georgia taxpayers for educating the children of illegal immigrants. That adds up to about \$1.3 billion (\$542 million for illegal alien children, and \$758 million for their siblings).

In addition to the fiscal impacts of the children of illegal immigrants in the schools, there may also be an impact on the number of students per classroom. The enrollment of unanticipated students may result in overcrowded classrooms. Pedagogical issues may arise from students lacking the necessary preparation to study with students of their age group, and social challenges may develop when groups of students speaking a different language form cliques.

• LEP Enrollment

Enrollment in Limited English Proficiency (LEP) classes in Georgia was 56,465 students in the 2005-06 school year. That was more than three-and-a-half times the level a decade earlier (16,037 students in the 1995-96 school year).⁹ Over a similar period, overall K-12 enrollment in the state's public schools increased by about 12.4 percent (from about 1.35 million to about 1.52 million).

Limited English Proficiency Enrollment (in thousands)



The rapid growth in LEP enrollment began even earlier. LEP enrollment in the 1989-90 school year was 6,194 students. In the 1997-98 school year, 65.2 percent of the LEP students were native Spanish speakers. That share had increased to 70.1 percent by the 2000-01 school year. The second largest share was speakers of “other” languages, which would include indigenous languages spoken in Mexico and Central America

Our estimate of the number of children of illegal aliens in LEP classes is smaller than our estimate of illegal alien enrollment. This is to be expected for two reasons. First, some students “graduate out of special English classes every year. Second, children of illegal aliens born and raised in the United States are less likely to need such assistance.

Not all LEP students will be children of illegal aliens, but most of them will be. With the exception of children of refugees, the children of immigrants legally admitted for permanent residence may already have

knowledge of English because the parents have been living in the United States as nonimmigrants, or have been preparing for years to immigrate to the United States, or come from countries where English is taught in the schools.

According to a 1999 report of the Southern Legislative Conference of the Council of State Governments, Georgia at that time was spending at that time about \$22 million annually on LEP programs, for an average estimated expense of about \$1,100 per student.¹⁰ That average cost would be higher today as a result of inflation.

A much higher estimate of the cost of LEP instruction was suggested by the finding in a 2004 report by the Government Accountability Office (GAO). The GAO found that the costs associated with such instruction could cost from 10 percent above to 200 percent of the cost of normal instruction. That implies in the case of Georgia a cost of from \$845 to \$8,450.

“Bringing ELL-enrolled children up to the grade level of same age non-ELL-enrolled children has been estimated to potentially increase costs by an additional 10 to 100 percent over usual per pupil costs; for students living in poverty (independent of ELL programs), the corresponding range of estimates is 20 to 100 percent. Bringing students characterized by both poverty and limited English proficiency up to average levels of achievement could potentially increase average costs by a larger amount — perhaps 30 to 200 percent over average per pupil costs.”¹¹

Educating the Children of Illegal Aliens

(in millions)

	Illegal Aliens	Cost	Outlay	Siblings	Cost	Outlay	Total
K - 12	64,100	\$8,450	\$541.6	89,700	\$8,450	\$758.0	\$1,299.6
LEP	35,000	\$1,350	\$47.3	25,000	\$1,350	\$33.8	\$81.0
Total			\$588.9			\$791.8	\$1,380.6

Conservatively, we use in our calculation an inflation-adjusted estimated cost of \$1,350 per pupil per year.

Additional expenses that are not included in these estimates are the costs of pre-kindergarten classes as well as adult education classes in which English is taught to illegal immigrants among others. An example of these additional costs is below.

*“This school [Burroughs-Molette Elementary School, where as many as one-third of the students do not speak proficient English] is definitely not business as usual,” noted Principal Morris Arrington while walking the halls. “Nothing is simple here.” That becomes clear when one considers that any piece of correspondence, from a simple teacher’s note to the school’s newsletter, must be translated into Spanish as well as English, to reach the parents of the vast majority of the school’s non-English speaking students, who are Hispanic.”*¹²

MEDICAL COSTS

The medical expenses borne by Georgia taxpayers associated with illegal immigration fall into two categories.

- Medicaid and related taxpayer-funded programs designed to provide services to low income persons.
- Emergency medical care.

● Medicaid

Legally, Medicaid is not available to illegal aliens, but in practice may be used by them fraudulently with false documents. In addition, Medicaid pays for the costs of births to low income illegal alien mothers on the basis that the child is a U.S. citizen at birth. Because the child’s presence and citizenship is a result of the illegal presence of the parent, it is reasonable to associate the attendant medical and other assistance received by that child as a cost of illegal immigration.

A 2006 analysis of the fiscal costs of illegal immigration in Georgia by the Georgia Budget and Policy Institute (GBPI) relied on information from the Department of Community Health that FY 2005 Medicaid spending on “undocumented immigrants totaled approximately \$111 million...” The GBPI report noted that the state only paid approximately \$44 million of that expense, with the federal government paying the balance.¹³ The bar to Medicaid expenditures for illegal immigrants means that most, if not all,

of this cost estimate relates to the delivery costs of the children of illegal aliens.

Assuming that the \$111 million outlay is associated with Medicaid births, that amount would cover about 16,000 births at the 2003 average cost of \$6,200 per uncomplicated birth and average cost of about \$12,000 per caesarian or complicated birth.¹⁴ The share of caesarian or complicated deliveries is estimated at 29 percent of all births nationally, and those births involve nearly double the cost of an uncomplicated birth.¹⁵

Although the number of Medicaid births may have increased with the state's rising illegal alien population, and the cost of delivery probably has increased, this study assumes a continuing Georgia taxpayer burden of about \$51 million from the state's share of expenditures for about 16,000 births at about \$8,000 per birth to illegal aliens.

● Emergency Care

Under the Emergency Medical Treatment and Active Labor Act emergency medical care cannot be denied to anyone in need of such treatment. This makes emergency rooms a recourse available to persons including illegal aliens who have no medical insurance or the financial ability to pay for private health care. Such assistance is required until the patient's condition is stabilized.

An estimate of the medical costs of non-elderly adult illegal immigrants by the RAND Corp. put those costs nationally at \$1.1 billion annually in 2000.¹⁶ At the time the RAND study was released, FAIR publicly

commented that we considered that to be an unrealistically low estimate, and James Smith, one of the authors acknowledged in press accounts that the costs might be as high as double that amount.¹⁷ If we assume national costs of \$2 billion and that the share of adult, non-elderly illegal aliens in Georgia is proportional to the national share, Georgia's 3.25 percent share of the nation's illegal alien population in 2000 suggests that the medical outlays were about \$71.6 million, and would be higher today because of the state's larger share of the illegal alien population. It would also be higher as a result of inflation and for the costs associated with some elderly illegal aliens, although this latter category is presumed to be negligible in large part because long-term illegal aliens have gained legal residence as a result of the 1986 amnesty and other subsequent more limited amnesty provisions.

Georgia's current share of the nation's current illegal alien population (3.75%) suggests an emergency medical annual cost of more than \$75 million. For purposes of this study we estimate the costs of uncompensated emergency medical care born by Georgia taxpayers have risen because of inflation to about \$90 million today.

This estimate falls within the same ballpark as one reported in the *Atlanta Journal Constitution* in 2005.

"In two areas, at least, the state spends money on services required by the federal government: Millions are spent educating illegal immigrant children in Georgia's schools, though that cost is hard to calculate be-

*cause schools do not ask for proof of citizenship. Another \$80 million was spent in Georgia last year on emergency medical care for illegal immigrants.*¹⁸

The costs of emergency medical care is partially reimbursed to the states by the federal government based on a formula that takes into account the federal government’s estimate of the illegal alien population in 2000. For a state, like Georgia, with a rapidly rising illegal alien population, that formula would not adequately compensate the state even if the funds available for that purpose covered expenditures — which they do not.

Public Costs of Medical Care
(in millions)

State Medicaid cost (births)	16,000 @ \$8,000	\$128
Emergency Care		\$90
Federal Compensation		-\$8
Net Outlay		\$210

Under the FY2008 state allocations for Section 1011 of the Medicare Modernization Act reimbursement for emergency health services to “undocumented aliens,” Georgia received an allocation of \$8,036,413.¹⁹

There are additional medical expenditures associated with the illegal alien population not included in the above estimate. Those include mental health services, public health services, such as immunizations, and children’s services that are provided on the basis of a ‘don’t ask-don’t tell’ policy that makes any quantification of the outlays difficult. Furthermore, hospitals in-

creasingly must provide translation services to a growing non-English-speaking population. In addition, no calculation has been included for the emergency medical care outlays for the illegal alien population younger than adults. A comprehensive fiscal cost estimate should include such costs.

INCARCERATION AND
CRIMINAL JUSTICE

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● **Incarceration**

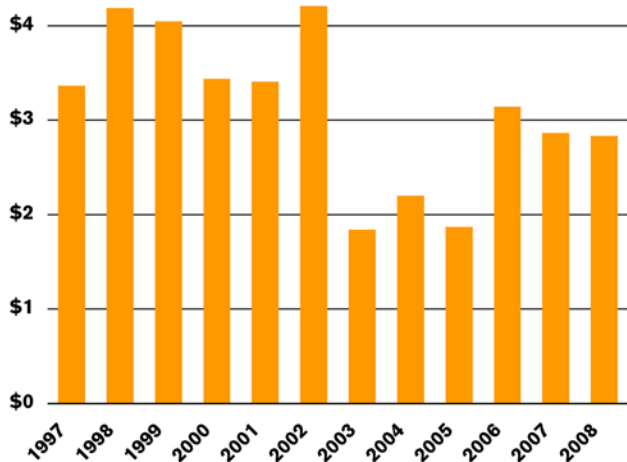
The data upon which estimates of the costs of incarcerating illegal aliens may be estimated come from the State Criminal Alien Assistance Program (SCAAP) which is administered by the Office of Justice Programs in the Department of Justice. In that program states and local jurisdictions may apply for compensation for the incarceration of illegal aliens and other deportable aliens.

The current guidelines for the compensation are: “SCAAP provides federal payments to states and localities that incurred correctional officer salary costs for incarcerating undocumented criminal aliens with at least one felony or two misdemeanor convictions for violations of state or local law, and incarcerated for at least 4 consecutive days during the reporting period.” The appropriations provided by Congress fund only a portion of the costs so local jurisdictions have been required to absorb a major portion of these expenses.

As shown in the chart below, SCAAP compensation paid to Georgia has varied widely between more than \$4 million and less than \$2 million. But this does not

SCAAP Awards

(in thousands)



necessarily reflect a proportional change in the size of the incarcerated illegal alien population in the state because the compensation also varies based on the changing amount of appropriated funds. Taken as a percentage of the national SCAAP outlays, the share received by Georgia jurisdictions has varied between a low of 0.6 percent in 2000 to a high of 0.83 percent in 2006, with the average distribution being 0.72 percent, which is almost the same as the share received in the 2008 award.

In FY 1999 when the state documented 664 illegal alien inmate years, it received 38.6% of its costs. Three years later, SCAAP data indicate that Georgia's illegal alien inmate population had increased by 103 percent to 1,350 inmate years, while compensation increased by four percent. The last year for which detention data is available is 2006, and in that year Georgia sought compensation for about 1,543 prisoner years (including both suspected illegal immigrants and those with detainees) and received \$3,131,979. This represents a reimbursement decline from \$6,293 per inmate year in 1999 to \$2,519 in 2002 to \$1,207 in 2006.

*“The Georgia Department of Corrections transferred 433 felons to U.S. Immigration and Customs Enforcement for deportation proceedings in 2007, the most recent year for which state and federal data are available. That’s more than twice as many as the 189 handed over to the agency in 2002. At least three child molesters who were illegal immigrants had served time in Georgia prisons but escaped the attention of federal authorities. All three were released back into the community. Two or three times a week, air transports arrive at the Columbus airport to pick up detainees and take them to Mexico or Central America...”*²⁰

Using the state the 2006 prisoner years and an estimated annual cost per prisoner of \$18,853, we estimate an annual cost to the state’s taxpayers of more than \$25 million.²¹ The compensation paid from the SCAAP program for 2008 was \$2,827,216.²² Thus, the burden borne by Georgia taxpayers was about \$22.6 million.

More than three-fifths (62.4%) of the SCAAP 2008 compensation was to the state correctional system. Counties that received compensation amounts greater

Public Costs of Illegal Alien Incarceration

(in millions)

	Prisoner Years	Per Year	Cost
Expenditures	1,543	\$18,853	\$25.4
SCAAP Reimbursement			\$2.8
Total			\$22.6

than \$100,000 were DeKalb (6.2% of the total award), Gwinnett (5.4%), Cherokee (4.0%) and Clayton (3.7%).

● **Other Criminal Justice Expenses**

Not included in our estimate of the costs of incarceration of deportable aliens is any estimate of other expenses resulting from crimes committed by illegal aliens. Such activities would include policing, especially policing for gangs that include significant numbers of illegal aliens. In addition, the SCAAP reports include applications for reimbursement from only 21 of Georgia’s 159 counties. There are undoubtedly additional illegal alien prisoners beyond those identified in the SCAAP data. Furthermore, there are illegal aliens who end up jailed for minor crimes and offenses rather than being imprisoned. Those costs that are also attributable to illegal immigration are a further burden on Georgia’s taxpayers.

Progress has been made recently in combating illegal alien crime, especially gang-related crime through a program of federal training of local law enforcement personnel in immigration law enforcement. These programs are known as 287(g) programs — after the section of law that authorizes them. Before the advent of the 287(g) programs, and in those communities which do not yet have them, identifying illegal alien gang members required federal involvement. For example, a 2005 operation in Alpharetta required the presence DHS and FBI working with the Alpharetta police. They arrested 10 Mexicans who were members of the Surento 13 (SUR-13) gang on illegal immigration charges. According to Alpharetta police officer Jimmy Reeves, “We know they were involved in drugs too,

but when we saw they were here illegally we just went ahead and arrested them for that just to get them out of here.”²³

Similarly, Hall County sheriff’s department Major Ramone Gilbert recently remarked about his department’s experience with the 287(g) program at a Washington, D.C. press conference hosted by the Department of Homeland Security. He said that, “Some interesting facts since the program’s inception were we have seen a 33 percent decrease in arrests of illegal immigrants. We have seen a 10 percent decrease in misdemeanor arrests. And we’ve seen a 600 percent increase in alternative transportation. Both of these programs have had a very positive effect on our community. In 2008 we have seen a decrease of about 200 gang members.”²⁴

In addition to prison and policing costs, criminal aliens cause the courts significant added expenses for interpreters and the cost of trials including public defenders for indigents. These clearly are additional fiscal outlays that are attributable to illegal and deportable aliens that are not included in \$22.6 million uncompensated cost estimate.

**OTHER IMPACTS FROM
ILLEGAL IMMIGRATION**

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In addition to costs related to education, medical care and incarceration of illegal aliens that are not included in the above estimates, other fiscal costs which are outside the scope of this study include the following:

- Social assistance programs, including subsidized housing, available to persons in poverty

or near poverty and are accessed on behalf of U.S.-born children of illegal aliens.

- Tax losses from workers in the underground economy paid in cash.
- Tax losses from remittances sent abroad and, therefore, also a drain on the local economy.
- Public assistance to Americans in poverty or near poverty as a result of job loss or lowered earnings resulting from displacement by illegal aliens.

There are also a number of social costs associated with illegal immigration that should be noted even though they are outside the scope of a fiscal impact study. These include:

- Potentially difficult challenges to the learning environment in schools from an influx of linguistically and academically unprepared illegal alien students;
- Congestion, inconvenience, and property value loss from the presence of illegal aliens living in over-crowded conditions and in areas in which day-laborers seek jobs;
- Delay in receiving medical attention in hospital emergency facilities impacted by illegal aliens seeking assistance;
- Frustration in communicating with a growing population of non-English speakers;

- A higher incidence of crime committed by illegal aliens and a greater threat from uninsured and hit-and-run drivers.²⁵

U.S. Representative Paul Broun from Georgia voiced many of the non-fiscal concerns about the impact of illegal immigration on our society.

*Failure to enforce immigration law causes a breakdown in the “rule of law” that has long characterized our nation. This means we are on the road to lawlessness. And this breeds danger and corruption. ... So called “cheap labor” of illegal aliens is costing American jobs, driving down wages, and potentially breeding corruption in the marketplace. And I want it stopped! When our government is complicit in destroying free market economies and giving de facto approval to inherent dishonesty in business, then we are headed for a bankrupt economy like many Third World countries.”*²⁶

Total Fiscal Cost Estimate
(in millions)

Net Education Costs	\$1,380.6
Net Medical Care	\$210.0
Net Incarcerations	\$22.6
Total	\$1,613.2

OFFSETTING TAX PAYMENTS

Illegal aliens add to the state's tax collections. It can be argued that those tax receipts would not decline if those illegal workers were deported or returned to their home countries on their own. While there are some jobs that exist solely because of the presence of illegal alien workers, i.e., sweatshop jobs, most of the jobs currently held by illegal aliens would be done by legal workers. Therefore, it is reasonable to assume that those same wages on which those taxes are paid would be paid to legal workers (and, in the process, wages might rise, resulting in increased tax collections).

Similarly, apologists for illegal aliens argue that as an offset to their fiscal costs, allowance should be made for the value of the goods and services they produce. This is an economic focus rather than a fiscal focus. Our view is that argument would make sense only if it were assumed improbably that those jobs disappear if the illegal workers unavailable. That argument also ignores the fact that many illegal alien workers are working in jobs that have negative social consequences. Would anyone suggest that indentured servitude or sweat shops or prostitution should be accepted because they produce goods or services?

Because this study looks at the fiscal effects of illegal immigrants, and tax collections are a fiscal effect, we include below an estimate of how much of the more than \$16 billion in outlays might be offset by tax collections from Georgia's illegal alien residents.

The GBPI study in 2006 used data derived from calculations of the Institute on Taxation and Economic Policy (ITEP) and used a generally accepted rule of

thumb that about half of illegal alien workers are in the underground cash economy to conclude that an illegal alien population in Georgia of between 228,000 and 250,000 persons would pay state and local taxes ranging from \$215.6 million to \$252.5 million. The ITEP tax collection profile, however, applies to illegal aliens in the workforce, not the entire illegal alien population. Nationally this is estimated to be about 62 percent of the total illegal alien population. Using our estimate of the illegal alien population in Georgia, the illegal alien workforce would be about 307,000 persons. If the GBPI tax calculations had been based on that sized population, their estimated tax collections would have increased to \$290 million to \$310 million.

However, the GBPI calculations did not include allowance for the fact that the illegal immigrant population will not pay taxes similar to the average taxpayer.²⁷ The disposable income of illegal alien workers will be reduced by the amount of money they send abroad in remittances. That implies lower than average sales tax receipts. Also, illegal alien workers are likely to have reduced tax withholdings because they have greater than average numbers of dependents and because they are more easily able to overstate their number of dependents since Social Security numbers for dependents are not required of children born and residing abroad. This opens a loophole that can be exploited to claim dependent deductions that are not readily verifiable.

Furthermore, income tax withholding depends on income, and nearly two-fifths of the foreign-born population in the United States was living in poverty or near poverty in 2005. This was double the rate of poverty and near-poverty among native-born residents.

Finally, the direct or indirect property taxes paid by illegal immigrants will differ from those of the general immigrant population to the extent that they are more likely to share the costs of shelter with extended family or non-family members.

Data collected in the Census Bureau’s 2006 American Community Survey indicate that in Georgia between 2000 and 2006, the foreign-born population in poverty increased from 92,413 to 139,062. In 2006, 16.5 percent of the foreign-born population lived in poverty, and an additional 24.4 percent had incomes of less than double the poverty level.²⁸ Also in 2006, 62.3 percent of full-time, year-round, foreign-born workers earned less than \$35,000 a year.²⁹

The above data apply to both legal and illegal foreign-born residents. The economic profile of the illegal residents logically should be significantly different from that of legal residents and foreign-born U.S. citizens. The income profile of the illegal alien population and the different shared occupancy practice will reduce property tax collections (including those paid indirectly as part of rent payments). A larger share of the illegal immigrant’s disposable income will be spent on food, which is exempt from state sales tax.

In our calculation of likely tax revenue collected from the illegal alien population, we also used an estimate of approximately half of the workers were in the underground economy and not paying income taxes, and we maintained a ratio between income, sales and property taxes similar to that in the ITEP model. The results are shown below. While our estimated tax receipts are not greatly below those calculated by the GBPI — 8 to 27 percent smaller — they are considerably lower

when considering the larger illegal immigrant population on which they are based.³⁰

Tax Receipts from Illegal Aliens

(in millions)

Property	\$13
Sales	\$210
Income	\$56
Total	\$273

NET FISCAL COSTS OF ILLEGAL IMMIGRANTS

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The estimated fiscal costs of illegal immigration to the Georgia taxpayer in the three programmatic areas of education, medical care and incarceration of more than \$1,613 million dwarfs the estimated \$273 million tax receipts from that same population.

Net Fiscal Effects of Illegal Immigration

(in millions)

Outlays	\$1,613
Receipts	\$273
Net	\$1,340

The estimated fiscal outlay of more than \$1.6 billion in 2008 represents an average cost of about \$523 per year to each of Georgia’s more than three million native-headed households. The net cost after accounting for tax receipts from the illegal immigrant taxpayers amounts to an average burden of \$434 per native-headed household.

CONCLUSION

The reason for estimating the fiscal cost of the rapidly growing illegal immigrant population is not to facilitate state efforts to seek additional compensation from the federal government to offset those outlays. Regardless of which level of government is picking up the costs, the bill is being paid by current taxpayers or being added to the debt that will be faced by future generations.

States have a range of resources available to them to deter settlement of illegal aliens. Federal law has provided the means for states to take action against illegal residence and has encouraged such action. The 287(g) program is one example. Those agreements are in force

Georgia's Security and Immigration Compliance Act, adopted in 2006 and still in the process of being phased in, is credited with already having the effect of encouraging illegal aliens living in the state to move back to their home country or elsewhere in the United States.

The purpose of providing an estimate of the fiscal impact is to educate the public as well as policy makers about the impact of illegal immigration as an aid to informed policy making. Until recently, the interests most likely to influence the policies adopted by state lawmakers were employers who benefit from lower wage costs from hiring illegal workers and ethnic advocacy groups.

"Illegal immigrants also are leaving Georgia, where a law requires companies on government contracts with at least 500 employees to check new hires against a federal database to make sure they are legally authorized to work. Mario Reyes, senior minister at the Tabernacle of Atlanta, says his church lost about 10 families this summer. His daughter, a real estate agent, is helping them sell their homes. Churches across the city report similar losses, says Antonio Mansogo, a board member of the National Coalition of Latino Clergy and Christian Leaders. 'There's tension because you don't know when immigration (agents) might show up, and a lot of people don't want to take those chances,' he says."

— *USA Today*, Illegal immigrants moving out, September 27, 2007

in the counties of Whitfield, Cobb, and Hall as well as the state Department of Public Safety. Another is the E-Verify program operated by DHS that allows employers to verify the identity documents of new employees. The requirement for such verification in Georgia currently applies to government employers and contractors and subcontractors on public projects with more than 100 employees. A broader verification requirement entered into effect in Arizona in January 2008.

With information on the burden that illegal immigration is placing on the state's taxpayers, the public becomes more empowered to register their concerns with their elected representatives both locally, at the state level, and in Washington, D.C. This process is well begun in Georgia, and the policies already enacted in the state should be helping Gov. Perdue to overcome his budget deficit problem.

ENDNOTES

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- 1 The Department of Homeland Security's estimate of an illegal alien population in Georgia of 490,000 was released in September 2008. Based on 2005 data, the Pew Hispanic Center estimated the illegal alien population in Georgia at between 350,000 to 425,000 persons. These estimates are comparable to our estimate of 495,000 illegal aliens given differing assumptions and time frames. Compared to the 291,000 increase in the foreign-born population from 2000 to 2007, newly arriving legal immigrants who indicated they would live in Georgia numbered 67,400. The over 223,000 person difference points to the rapid rise in the illegal alien population. Our estimate of the illegal alien population does not take into consideration recent indications that this population may be declining now because of enforcement actions and a loss of job opportunities.
- 2 The "Georgia Security and Immigration Compliance Act" of 2006 has a phased in requirement for employers to verify the work related documents of employees that will not be fully in effect until July 2009.
- 3 *Atlanta Journal-Constitution* poll of 501 likely voters reported on January 9, 2006.
- 4 Some fiscal cost studies argue that incarceration is not a "benefit" and, therefore, should not be included with educational and medical services. The focus of this study is on the burden placed on Georgian by illegal immigrants, and the cost of incarceration of illegal aliens in the state prison system is such a cost.
- 5 Fix, Michael and Jeffrey Passel, "U.S. Immigration—Trends and Implications for Schools," The Urban Institute, 2003.
- 6 Martin, Jack, "Breaking the Piggy Bank: How Illegal Immigration Is Sending Schools in the Red," FAIR, 2005.
- 7 FAIR also considers the issue debatable of whether the 14th Amendment is correctly interpreted to mean that a child born in the United States to an illegal immigrant is in fact a U.S. citizen. There is good reason to believe the practice of considering those children as citizens does not accord with the intent of the framers of that constitutional provision.
- 8 Derived from the International Center for Education Statistics: Digest of Education Statistics 2006, Table 28, adjusted upward slightly for inflation.
- 9 Website consulted September 30, 2008, <http://www.ncela.gwu.edu/expert/faq/01leps.html>. Partial data for the 2006-07 school year are available on the Georgia Dept. of Education website www.doe.k12.ga.us. Georgia refers to this program as English as a Second Language (ESOL). These partial data reflect the largest enrollment of ESOL students in the counties of Cobb, Gwinnett, and DeKalb. Another term for these programs is English Language Learners (ELL).
- 10 Watts Hull, Jonathan, "Language Diversity and Southern Schools: The Growing Challenge," Table 2, Southern Legislative Conference of the Council of State Governments, 1999.
- 11 "Illegal Alien Schoolchildren: Issues in Estimating State-by-State Costs," United States General Accounting Office, (GAO-04-733) June 2004.
- 12 "School facing language barrier," The Brunswick News, September 5, 2005. The article also notes that the "...vast majority of them [the non-English-speaking Hispanic children] are enrolled in the school's ESOL program."
- 13 Coffey, Sarah Beth, "Undocumented Immigrants in Georgia: Tax Contribution and Fiscal Concerns," Georgia Budget and Policy Institute, January, 2006.
- 14 Consumer Health Ratings.com. (website-consulted December 11, 2007). Data from the Current Population Survey indicate that since 2000 there have been more than one million live births in Georgia, with an annual average of about 137,200 births. Atlanta's Grady Health Care network in 2002 is reported to have had more than 11,000 births to illegal immigrant mothers at an average cost of about \$6,100, i.e., a cost of \$71.7 million.
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- 18 "Immigration law puts heat on ICE Office," *The Atlanta Journal Constitution*, August 7, 2006.
- 19 "FY2008 State Allocations...Reimbursement of Emergency Health Services to Undocumented Aliens," U.S. Dept. of Health and Human Services, Centers for Medicare and Medicaid Services, www.cms.hhs.gov/UndocAliens/Downloads/fy08_state_alloc.pdf (website consulted September, 30, 2008). The federal compensation formula uses the outdated federal estimate of the illegal alien population in 2000.
- 20 *The Atlanta Journal-Constitution*, "Feds deport more felons from Georgia prisons," June 17, 2008.
- 21 The estimated cost is based on the projected 2008 operating costs and inmate population in the FY 2007 Annual Report of the Georgia Department of Corrections (http://www.dcor.state.ga.us/pdf/FY07AnnualReport_3.pdf) p.61, website consulted 10/2/08. Other cost estimates included a 2007 study by the Pew Charitable Trusts that cited a current cost of \$17,000 per inmate for Georgia. (Associated Press, "Report: Georgia prison could cost nearly \$100M more in 5 years," February 14, 2007), and a USDQJ, Federal Bureau of Prisons, National Institute of Corrections report that cited a 2001 average cost for Georgia of \$19,860 per inmate (<http://www.nicic.org/Features/StateStats/?State=GA>), website consulted 10/2/08.
- 22 "FY2008 State Criminal Alien Assistance Awards," U.S. Department of Justice, http://www.ojp.usdoj.gov/BJA/grant/FY2008_SCAAP_Awards.pdf, (website consulted September 30, 2008).
- 23 Appen Nrswpapers, "Alpharetta makes large gang bust," July 13, 2005.
- 24 Transcript, "Assistant Secretary of Homeland Security for Immigration and Customs Enforcement Myers Holds News Conference on the 2008 Summer Gang Operation," October 1, 2008.
- 25 Martin, Jack, *Illegal Aliens and Crime Incidence*, FAIR, 2007. See also FAIR Issue Brief "Unlicensed to Kill" (both available at www.fairus.org.)
- 26 Letter to Constituent, March 14, 2008 (available at http://www.galeo.org/story.php?story_id=0000004700).
- 27 The report did note, however, that "This portion of income [remittances] traveling outside of the US would lower their after-tax income, which would presumably lower their sales tax contribution. If data on remittances of the undocumented population in Georgia was [sic] available, income and sales tax contributions would need to be adjusted to incorporate that income transfer." GBPI report by Sarah Beth Coffey, op cit., January, 2006.
- 28 The federal government's poverty guideline for 2006 placed the poverty level for a family of four at annual income of \$20,000 (with an upward adjustment of \$3,400 for each additional family member).
- 29 "Georgia State Factsheet," Migration Information Source, Migration Policy Institute, (<http://www.migrationinformation.org/datahub/ac-scensus.cfm#>) website consulted October 9, 2008.
- 30 The GBPI study does not present the calculations used in estimating tax collections, but it appears possible that it might have multiplied ITEP model tax receipts by the entire illegal alien population rather than by the smaller illegal alien population in the workforce.

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