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Study: States bear the brunt of illegal immigrant costs

Illegal immigrants in Colorado use nearly \$225 million in state and local government services annually, according to research issued today by the Denver-based Bell Policy Center.

The illegal immigrants also pay state and local taxes of between \$159 million and \$194 million, the center's study found. That leaves a gap of at least \$31 million illegal immigrants cost state and local governments, according to the center's research.

"The real issue may be that the federal government should do a better job reimbursing the states for these costs," said Bell Policy Center President Wade Buchanan in a statement accompanying the research.

The center's study accounted for the cost of providing education, emergency health care and jails for illegal immigrants statewide. Those services are required under federal law and court rulings.

No one knows how many illegal immigrants live in Colorado, but experts generally rely on estimates from the Washington-based Pew Hispanic Center, which this year guessed Colorado's population at 225,000 to 275,000. The Pew Hispanic Center estimates the national population of illegal immigrants at up to 12 million, and other researchers have put it higher than 20 million.

The Bell Policy Center's findings clash with a study released earlier this year by Defend Colorado Now, a group pushing for a ballot measure that would prohibit government services to illegal immigrants except those required by law. The Defend Colorado Now study estimated illegal immigrants cost taxpayers more than \$1 billion a year.

Complete coverage in tomorrow's Gazette

Colorado Springs Gazette

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Study: Illegals costing Colorado millions U.S. should reimburse state for gap, official says

By Perry Swanson

Illegal immigrants in Colorado use nearly \$225 million in state and local government services annually, while paying between \$159 million and \$194 million in state and local taxes, according to a new study.

That leaves an estimated gap of \$31 million to \$66 million that must be paid so illegal immigrants can attend schools and get emergency medical care. The cost of incarcerated illegal immigrants is also factored in.

Because the federal government mandates that most of those services be provided, it should pick up a larger portion of the tab and help offset the gap, said Wade Buchanan, president of the Denver-based Bell Policy Center, which issued the findings Friday.

He said proposals to deny services to illegal immigrants sidestep the problem of who pays for what.

“The real issue may be that the federal government should do a better job reimbursing the states for these costs,” Buchanan said in a statement accompanying the research. The federal government makes some small reimbursements that should be increased, the center says.

The study is the latest contribution to Colorado’s red-hot debate over illegal immigration. Colorado is home to an estimated 225,000 to 275,000 illegal immigrants. Gov. Bill Owens has called state lawmakers to Denver starting Thursday to sort out policies including whether some services should be denied to illegal immigrants.

The services measured in the Bell Policy Center study can’t be denied because federal law requires them. Jail costs are included because illegal immigrants suspected of committing crimes are held in county jails.

Questions about how much illegal immigrants cost taxpayers, and how much they pay in taxes, are at the heart of the debate. Answers to the questions are slippery, though, because experts can only guess at the illegal immigrant population and the range of government services illegals use.

A group called Defend Colorado Now, which supports measures to stop illegal immigration, issued a report in March claiming illegal immigrants cost state taxpayers more than \$1 billion annually.

Rich Jones, the Bell Policy Center’s director of research and policy, acknowledged the conflicting assertions might be confusing to people following the debate.

“The average person does have to kind of read through and look at the sources and look at how they figured it out,” he said.

Sales taxes are the biggest source of revenue from illegal immigrants, at \$125 million to \$151 million annually, the Bell Policy Center found. Many illegal immigrants also pay state income taxes and, indirectly, property taxes via rent payments.

For the typical illegal immigrant household, the annual bill for state and local taxes amounts to \$1,861 or 6.8 percent of annual income, the study found. The

calculation assumes a household pays state income tax and that the annual household income in Colorado is the same as the national average for illegal immigrant families.

Education accounts for the largest portion of costs identified in the study, at nearly \$176 million. The Bell Policy Center estimated 28,480 illegal immigrant children are in Colorado and assumed each receives school services worth the average \$6,167 in government funding.

Accounting for the costs of illegal immigrants and their tax contributions, state taxpayers are paying \$31 million to \$66 million per year to support illegal immigrants.

But it's normal for low-wage workers to receive more from the government than they contribute, said Dan Griswold, director of the Center for Trade Policy Studies at the Cato Institute, a Washington think tank. Griswold, who was The Gazette's editorial page editor from 1983 to 1995, said fixing that imbalance is important, but it's secondary to other issues in the immigration debate.

"For the governor and other people to talk about illegal immigration as imposing some kind of crushing burden on Colorado and local governments is, I think, an exaggeration that is not supported by the evidence," he said. "The costs are real, but they are not overwhelming, and I think the proposal of establishing some kind of federal aid program is not unreasonable."

A federal aid program like the one the Bell Policy Center proposed is part of the sweeping immigration reform proposal the Senate passed in May, said Sheri Steisel, an immigration expert for the National Conference of State Legislatures. The House of Representatives passed a different measure last year, and now leaders are working to resolve the differences.

The program would get money from fees that immigrants pay when they apply for legal residence or a guest worker program, Steisel said. The money would be sent to states, which could use it to offset spending on education, medical care and jails.

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Rocky Mountain News
July 1, 2006

Illegals offset 70% of costs
Bell study cites taxes paid; group questions findings

By Kevin Flynn

Illegal immigrants pay enough in taxes to offset at least 70 percent of the costs for services the state is required to provide for them, a new study says.

"There's a lot of heat around this immigration debate," said Wade Buchanan, president of the Bell Policy Center.

He issued the study on Friday, six days ahead of what promises to be a stormy special session of the Colorado legislature to consider immigration matters.

"We hope we can bring some light to the debate with this information."

The Bell Policy Center identifies itself as a progressive think tank. It opposes moves to cut services to illegal immigrants.

Republican Gov. Bill Owens called lawmakers to a special session starting Thursday after the Colorado Supreme Court refused to allow an immigration measure on November's ballot, ruling it violated state law by containing more than one subject. The measure sought to cut off all government services to illegal immigrants except those required by law such as public education and emergency medical care.

The Bell Policy Center based its calculations on national models of taxation and costs. The study used conservative figures that at least 50 percent of illegal immigrant households work "on the books" and therefore have taxes withheld.

It took into account the fact that many illegal workers send money back to their native countries to support relatives there.

In that scenario, Colorado's estimated 225,000 to 275,000 illegal immigrants paid at least \$159 million to \$194 million in total taxes.

Rich Jones, the center's director of research and policy, noted that illegal immigrant households pay the same property taxes, whether through ownership or rent, as their neighbors. They pay sales taxes and, in at least half to 75 percent of the cases, pay into the federal income tax system, often without claiming any refunds.

"The thing that is not talked about much is the taxes they pay," Jones said. "It's very difficult to avoid those taxes."

Balancing the other side of the equation is the cost of providing the required public education for illegal immigrants' children and emergency medical care, which the federal government requires states to cover, as well as the cost of incarcerating those who commit criminal acts.

The center estimated that at \$225 million.

"Are these the absolute right numbers?" Jones asked. "Probably not. But the right numbers are probably right around there."

Fred Elbel, head of Defend Colorado Now, which promoted the initiative to cut off services to illegal immigrants, said his own group's study carries more weight. That examination showed that mandated services to illegal immigrants cost at least \$1 billion.

His group's study, released in March, was a compilation of 27 other studies on varied aspects of the immigration issue, he said.

"Their study is one study," Elbel said. "Our study is likely to be more robust than theirs."

While Bell's study is the first that attempts to quantify the tax contributions made by illegal immigrants, the companion piece on costs counted only the required services that the state has to provide, including K-12 public education, emergency care and incarceration.

It didn't attempt to find a price tag for other services illegal immigrants might be receiving – in part because no one knows for sure who is getting what.

There are no reliable estimates of the cost of other government services the state can cut off. There's not even a reliable list of what those services are. Elbel contends that households of illegal immigrants might receive Medicaid, food stamps or other public welfare, although that is already prohibited by law.

Buchanan said the center would oppose moves in the special session to cut off services, including the possible resurrection of the ballot measure Elbel's group sponsored.

The legislature is expected to debate putting it on the ballot directly because the measure the court invalidated was promoted by citizens.

Immigrant factor

REVENUE

- **State income taxes paid:** \$24 million to \$30 million
- **Property taxes paid:** \$10 million to \$13 million
- **Sales taxes paid:** \$125 million to \$151 million
- **Total paid:** \$159 million to \$194 million

EXPENDITURES

- **Spent on K-12 education:** \$175 million
- **Spent on emergency care:** \$31 million

- **Spent on incarceration:** \$18 million
 - **Total spending on required services:** \$224 million
- Source: The Bell Policy Center*

<http://www.longmontfyi.com/Local-Story.asp?ID=8523>

Longmont Daily Times-Call

July 1, 2006

Study: Illegals pay for selves

By John Fryar

DENVER — Illegal immigrants in Colorado get an estimated \$225 million in federally mandated state and local government services a year, according to a report from the Bell Policy Center.

And the state's estimated 225,000 to 275,000 illegal immigrants pay \$159 million to \$194 million in state and local taxes annually, the think tank's analysts said in a companion report.

"Making calculations about a population that is trying to hide is not easy," Bell president Wade Buchanan said of the two reports released Friday.

Bell's analysts estimated that state government and local public school districts spend:

- \$175.6 million on "undocumented immigrant" K-12 students, a federal mandate stemming from a 1982 U.S. Supreme Court decision.
- \$31.3 million on emergency health and medical care for illegal immigrants.
- \$23.8 million on incarcerating illegal immigrant criminals in state prisons and county jails, although about \$5.8 million of that expense is covered by federal reimbursements.

The Bell researchers also estimated that illegal immigrants living in Colorado pay:

- \$24 million to \$30 million in state income taxes.
- \$10 million to \$13 million in local property taxes.
- \$125 million to \$151 million in state and local sales taxes.

Those taxes offset between 70 percent and 86 percent of the annual cost of providing mandated services, Bell researchers said.

With a special legislative session on illegal immigration beginning Thursday, policy debates have centered on the costs illegal immigrants impose on state and local governments.

“When revenues are considered, the net effect on state and local governments is far below the amounts being touted by some politicians and other advocates,” Buchanan said.

Former Gov. Dick Lamm disputed the report. Lamm — a member of Defend Colorado Now, which sponsored a now-disqualified ballot initiative that would have ended most non-emergency services to illegal immigrants — said most of them simply cannot pay their own way.

Lamm, a Democrat, said illegal immigrants’ wages are low, they avoid paying taxes and they send much of their earnings back to their home country instead of supporting the U.S. economy.

“These are low-income families who have to be subsidized. I don’t mind subsidizing our own residents, but I object to subsidizing Mexican residents,” he said.

Former state Senate President John Andrews, who until this week also was the co-chairman of Defend Colorado Now, stuck by his former group’s numbers for illegal immigrants’ drain on government services.

Earlier this year, Defend Colorado Now said illegal immigrants cost state and local governments around \$1 billion annually, although that figure includes both federally mandated and nonmandated services.

“I am very confident of the accuracy of the Defend Colorado Now estimate,” said Andrews, a Centennial Republican.

Gov. Bill Owens called the Legislature back into special session to consider illegal immigration after the state Supreme Court disqualified Defend Colorado Now’s proposed ballot initiative asking voters to cut off nonmandated government services to illegal immigrants.

Andrews resigned his Defend Colorado Now position Tuesday after the group’s steering committee negotiated a compromise with opponents of the initiative and came out in support of having the Legislature handle the issue rather than asking voters.

He said the difference between Defend Colorado Now and Bell calculations is not hugely important.

“The point here is not so much fiscal,” he said. “The point is reasserting the rule

of law and doing what we can as one state to contribute to securing the borders.”

The Associated Press contributed to this report.

The Greeley Tribune

July 1, 2006

Illegal immigrants cover most of cost

Maria Sanchez-Traynor

Illegal immigrants are bringing in about as much money into state coffers as they are taking out, according to a report released Friday.

But there is still at least a \$31 million gap that the state has to pay according to the Bell Policy Center, a liberal Denver think tank.

The center's report said that estimated 250,000 illegal immigrants in Colorado cost the state about \$225 million a year for federally mandated services like K-12 education, emergency medical care and incarceration. At the same time though, those people are paying up to \$194 million in taxes each year, the report stated. Those taxes — which include sales and property taxes — cover 70 to 86 percent of their costs, the report stated.

The Bell report was released a week before lawmakers will head to a rare special session to deal with illegal immigration. Specifically, Gov. Bill Owens is asking that the legislators to bar illegal immigrants from state services.

Wade Buchanan, president of the center, said that lawmakers should target employers, not the immigrants, to help deal with the immigration problem.

"The bottom line is that you can make communities as inhospitable as possible and they'll still come here because the jobs are here," he said.

The report has the latest numbers in the state-wide debate about the real cost of immigration. Defend Colorado Now, an anti-illegal immigration group, estimates that the illegal immigrants cost the state \$1 billion each year. The group questioned the Bell report's numbers and said that the center underestimated costs of illegal immigration like Medicaid and illegal immigrant births.

"These are low-income families who have to be subsidized. I don't mind subsidizing our own residents, but I object to subsidizing Mexican residents," said former Gov. Dick Lamm who is a member of Defend Colorado Now.

Exact numbers on the costs of illegal immigration are tough to pinpoint, said Bell researchers. They said the numbers in their report were "estimates on estimates."

"We truly don't know exact numbers," said Robin Baker, a policy analyst for the center. "These are very tough estimations to make."

The center just looked at costs that were federally mandated. No one had yet found out exactly how much illegal immigrants cost in state services that are not mandated — the issue that will be debated at the special session.

The Associated Press contributed to this report.

TAX REVENUE AND SERVICE COSTS

A summary of the estimated tax revenue and public service costs for illegal immigrants from the Bell Policy Center, a liberal think tank:

Income

—State income taxes \$24 million to \$30 million.

—Property taxes: \$10 million to \$13 million.

—Sales taxes: \$125 million to \$151 million.

Mandated Services

—Public education: \$176 million.

—Emergency medical care: \$31 million.

—Incarceration: \$225 million.

The Pueblo Chieftain

July 1, 2006

JBC wants numbers on cost of immigrants Legislative panel will meet a day ahead of scheduled special session to push

By Charles Ashby

DENVER – While the rest of the Legislature won't meet for a special session on illegal immigration until Thursday, the Joint Budget Committee has scheduled a little-advertised meeting the previous day to try to force some answers from the Owens Administration on just how much the state spends on illegal immigrants.

Sen. Abel Tapia, D-Pueblo and vice chairman of the JBC, said that Wednesday's meeting is designed to obtain answers from Gov. Bill Owens' department heads on just what services the state provides to illegal immigrants.

The six-member committee, which holds the state's purse strings, has submitted four basic questions to nine state department heads:

- What services are being provided by your department for illegal immigrants?
- What is the cost on an annual basis to provide those services for illegal immigrants?
- How many full-time employees are being used by your department in providing services for illegal immigrants?
- What would be the cost and full-time employee impact to screen clients to determine their citizenship prior to providing services?

Tapia said the JBC had asked the departments similar questions during the regular session earlier this year, but received little to no response.

The senator, who opposed a now-defunct citizens initiative designed to block services going to illegal immigrants, said next week's special session is more about politics than it is about the issue, and he hopes the JBC hearings will reveal the issue is not crucial in Colorado.

"The whole thing is political posturing," Tapia said. "It's a waste of all of our time. Some states – California and Texas – have an immediate problem that's growing exponentially. I can tell you for a fact that's not the case in Pueblo . . . and I don't think it's true for the rest of the state. So I don't think there's a need for a special session."

Previous fiscal analyses of the issue indicate that few state dollars actually are spent on services to people who don't qualify.

Getting such information has proven difficult, in part, because of the nature of the issue: undocumented workers like to keep a low profile.

Even a detailed report released Friday from the Denver-based Bell Policy Center, a think tank that tried to examine the issue, had built-in flaws.

"Making calculations about a population that is trying to hide is not easy," Wade Buchanan, center president, said. "We have used the best sources available and have made conservative assumptions in making all of our calculations."

Based on that, the center said that the estimated 275,000 illegal immigrants in the state are paying about \$194 million in state and local taxes, and receiving about \$225 million in federally mandated services, such as education and emergency medical care.

Meanwhile, lawmakers in all parts of the state already are lining up to back bills designed to address one aspect of the illegal immigration debate or another,

including a few from the region.

The governor's agenda for the session not only includes bypassing a Colorado Supreme Court decision from last month that prevented the citizens initiative from reaching the November ballot on grounds that it violated the state's Constitution, but also raises broader questions about the issue.

As a result, Owens called for the special session to consider putting that measure on the ballot, or adopting its provisions outright as state law.

Among the dozens of bills expected to be introduced next week include two by Sens. Ken Kester, R-Las Animas, and Lewis Entz, R-Hooper.

While Kester plans to carry a measure for the Owens administration to put the initiative on the ballot, Entz's bill will focus on adopting its provisions without having to bring it before the voters.

While several other lawmakers are expected to carry various measures dealing with a wide range of topics surrounding illegal immigration, others are taking a wait-and-see attitude on just what ideas come to the forefront and are worth supporting.

Like Tapia, Rep. Tom Massey, R-Poncha Springs, said the entire illegal immigration matter isn't the hot-button issue it's been for some lawmakers, saying voters in his district haven't been as focused on it as others are.

Still, that doesn't mean it isn't a problem that shouldn't be addressed, Massey said.

"I'm giving everyone the benefit of the doubt. I think the citizens want resolution and we'd better do something besides play politics and give them something solid," he said. "I just want to stay out of the politics."