



**The Bell
Policy Center** *Research • Advocacy • Opportunity... for Colorado*

Concerning the Untold Stories of Colorado Immigration

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My name is Robin Baker and I am a Senior Policy Analyst for the Bell Policy Center. The Bell is a non-partisan, research and public policy organization committed to making Colorado a state of opportunity for all. The Bell believes that sound policies grow from thorough, objective research.

The Bell Policy Center opposes state policies aimed at limiting services to undocumented immigrants. State policies denying services to undocumented immigrants will not reduce costs to taxpayers. In fact, they will cost more than they save because they open up new litigation liability and create unnecessary hurdles for documented immigrants and citizens when they seek the government services their taxes pay for.

The Bell Policy Center's ongoing research on costs and benefits of immigrants in Colorado shows that documented or undocumented immigrants rarely use publicly funded programs such as Medicaid, food stamps and housing assistance. Most government spending on documented and undocumented immigrants pays for K-12 education, emergency health care and incarceration. These costs are mandated by federal law and explicitly exempted from state and local government policies.

While undocumented immigrants are barred from most publicly funded state services, they are not barred from paying sales and property taxes and at least half pay state and local income taxes. Our research shows that in 2005, undocumented immigrants paid an estimated \$159 million to \$194 million in state and local taxes—an amount equal to 70 to 86 percent of the \$225 million K-12 education, emergency medical care and incarceration costs.

1. Attached are two companion briefs that the Bell Policy Center prepared. One looks at taxes paid by undocumented immigrants and the other looks at the costs to the state for providing federally mandated services to undocumented immigrants.

Making calculations about a population that is forced to hide is not easy. For our analysis we relied on the best sources available and made conservative assumptions in making all of our calculations in order to provide a reasonably accurate picture of state and local taxes paid and

costs incurred by the estimated 250,000 to 275,000 undocumented immigrants living in Colorado. Our analysis does not include federal taxes paid. Our data sources, assumptions and methodologies are stated in each of our documents.

2. The first document uses Colorado tax data provided by the Institute on Taxation and Economic Policy in Washington, D.C. to estimate the amount of sales, property and income taxes paid by undocumented immigrants living in Colorado in 2005. This analysis assumes that half of undocumented immigrants are working “on the books” and that 70 percent send remittances to their home country regularly.

These are conservative estimates, the Urban League estimates that 75 percent of undocumented immigrants work on the books and the Inter-American Dialogue and Thomas Rivera Policy Institute estimates that 60 percent of immigrants send remittances back regularly. **Our analysis found that undocumented immigrants living in Colorado paid between \$159 million and \$194 million in state and local taxes in 2005.**

3. The second document examines Colorado public K-12 education, emergency medical care and incarceration data to estimate the costs of federally mandated services to undocumented immigrants. Under federal law, undocumented immigrant children are eligible to attend K-12 public schools, and all undocumented immigrants may receive emergency medical care. State and local governments also bear some of the cost of incarcerating undocumented immigrant crime suspects and convicted criminals. These are services that state and local governments cannot prohibit or limit.

Based on our analysis, **the estimated 225,000 to 275,000 undocumented immigrants living in Colorado cost state and local governments nearly \$225 million in 2005 for federally mandated services.** K-12 education costs are the highest, estimated at \$175.6 million. Emergency medical care is the next highest, estimated \$31.3 million and, incarceration costs are the lowest, estimated at \$18 million per year.

Our cost estimates are above the May 2006 Colorado Legislative Council estimate of \$218 million and well below the \$1 billion figure estimated by Defend Colorado Now in its March 2006 report.

4. To conclude, estimating the number of undocumented immigrants living in Colorado, their remittances, tax payments and the cost of providing federally mandated service is difficult because of a lack of precise data. **Our findings show that undocumented immigrants living in Colorado pay an estimated \$159 million to \$194 million in taxes, an amount that is equal to 70 to 86 percent of the \$225 million per year in K-12 education, emergency medical care and incarceration costs.**

The immigration debate is heated and emotional. Part of the debate revolves around the costs undocumented immigrants impose on taxpayers. These costs, however, must be judged against the fact that undocumented immigrants pay state and local taxes. While the amount paid in taxes does not completely cover the costs of providing services, it is clear from our analysis that undocumented immigrants are not bankrupting state and local government. It is also clear that

undocumented immigrants are not coming to Colorado to access publicly funded services—they come here to work.

Policies that are directed toward reducing state-funded services will not reduce the number of undocumented immigrants coming into the state. To reduce the number of undocumented immigrants, we must expand the options that allow immigrants to come into the country to work.

The Bell Policy Center maintains that the most effective solutions for addressing immigration problems are found at the federal level. We urge our state and local leaders to press the federal government to pass comprehensive immigration reform. They should also push the federal government to reimburse state and local governments for a greater share of the costs imposed by federal mandates.

Thank you for the opportunity to share this information with you today. If you have any questions or if I can provide further information, please call me at 303.297.0456 or e-mail me at baker@thebell.org