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HOW DOES ILLEGAL IMMIGRATION IMPACT AMERICAN TAXPAYERS AND WILL THE REID-KENNEDY AMNESTY WORSEN THE BLOW?

HEARING

BEFORE THE

COMMITTEE ON THE JUDICIARY
HOUSE OF REPRESENTATIVES

ONE HUNDRED NINTH CONGRESS

SECOND SESSION

AUGUST 2, 2006

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HOW DOES ILLEGAL IMMIGRATION IMPACT AMERICAN TAXPAYERS AND WILL THE REID-KENNEDY AMNESTY WORSEN THE BLOW?

WEDNESDAY, AUGUST 2, 2006

HOUSE OF REPRESENTATIVES,
COMMITTEE ON THE JUDICIARY,
Washington, DC.

The Committee met, pursuant to notice, at 2 p.m., in the Bayview Ballroom, Bayview Restaurant, Marine Corps Recruitment Depot, 3800 Chosen Avenue, San Diego, California, the Honorable F. James Sensenbrenner, Jr. (Chairman of the Committee) presiding.

Chairman SENSENBRENNER. The Committee on the Judiciary will come to order. This is the first of several field hearings that the Committee is having on the Reid-Kennedy bill which passed the Senate.

Before starting this hearing out, I would like to introduce the Members of Congress who are present here in San Diego.

I am Congressman Jim Sensenbrenner of Wisconsin, and I am Chairman of the House Judiciary Committee.

To my right are Congressman Elton Gallegly of California, Congressman Steve Chabot of Ohio who is the Chairman of the Subcommittee on the Constitution of the Judiciary Committee, Congressman John Hostettler of Indiana who is the Chairman of the Immigration Subcommittee of the Judiciary Committee, Congressman Darrell Issa who represents the District up the road, Congressman Steve King of Iowa and Congressman Louie Gohmert of Texas.

To my left are Congressman Howard Berman of California, Congresswoman Sheila Jackson Lee of Texas, who is the Ranking Member of the Immigration Subcommittee, Congressman Brian Bilbray of California.

Now, having made these introductions let me say the standard congressional hearing rules apply. And that means that there are to be no expressions of support or opposition from the audience to anything that the witnesses or the Members of the Committee have to say. This is a hearing to get testimony and to receive answers to the questions that will be posed by Members of the Committee and not a hearing session for people on either side of the immigration issue. And it is the Chair's contention that if this hearing is to continue, that the rules of the House of Representatives apply.

And if people in the audience do not wish to follow those rules, they will be asked to leave so that the hearing can be concluded.

I would like to ask unanimous consent of the Committee that non-Members of the Committee including Mr. Bilbray and Congressman Ed Royce who is on his way can participate in this hearing and to ask questions of the witnesses. And without objection, that is so ordered.

I would like to also remind the Members of the Committee that the 5 minute rule for questioning will apply. And the Chair has one of our fancy little machines with the red, yellow and green buttons to advise both the witnesses as well as the Members of the Committee how the clock is ticking.

Each of the witnesses will have 5 minutes to provide oral remarks, but their submission can be as lengthy as they may wish to make. And without objection, all of the witnesses' statements will appear in the record in full as submitted and they can summarize them at their will during the 5 minutes.

Today's hearing is the first in a series of the House of Representatives Committee on the Judiciary plans to hold throughout the month of August and September. Each hearing will examine a different aspect of our nation's illegal immigration dilemma and also examine whether the Reid-Kennedy bill that has been passed by the United States Senate offers a solution, or merely exacerbates the problem.

Today's hearing will focus on the impact that illegal immigration has on the pocketbooks of Americans, on the taxes that we all have to pay, and the benefits that the Government can afford to give us. We will also examine whether the Reid-Kennedy bill's mass amnesty will cost us even more.

Most economists agree that illegal immigrants impose a net fiscal cost on American Government and American taxpayers. This is not because they are illegal immigrants per se, nor does it indicate that illegal immigrants contribute nothing to our economy. Rather, illegal immigrants represent a net loss to the U.S. economy because they generally consume more in Government benefits than they pay in taxes.

In recent years, scholars have attempted to precisely determine the fiscal burden of illegal immigrants. Of course, they can only offer estimates, but these results are astounding and troubling. Relying on data compiled by two of the best studies, one conducted by the National Research Council and one by the Center for Immigration Studies, it is conceivable that over their lifetimes, the estimated 12 million illegal immigrants residing in the U.S. today will cost American taxpayers over half a trillion dollars. This startling figure cannot and should not be ignored as Congress debates the future of U.S. immigration policy.

Certainly the largest single fiscal impact of illegal immigrants is the cost to taxpayers of educating their children, whether U.S. or foreign-born. The Supreme Court has ruled that absent clear instructions from Congress, local communities are not permitted to deny elementary and secondary education to illegal immigrant children. Nationwide, public education costs over $7,700 per student per year. Most illegal immigrants with three young children are simply not going to pay enough in taxes each year to cover the

$23,000 cost of educating their children. Additionally, the contribution of illegal immigrants to overcrowding in America's schools is a growing problem across the United States.

Another huge fiscal drain is the cost of uncompensated health care for illegal immigrant families. The majority of illegal immigrants do not have health insurance. As a result, hospitals in the southwest border counties of Texas, New Mexico, Arizona, and California alone incur costs of $190 million per year for uncompensated emergency medical treatment of illegal immigrants. The California Hospital Association worries that care for illegal immigrants could force some hospitals into bankruptcy.

The law enforcement costs of illegal immigration are also substantial. Currently, 19 percent of inmates in Federal prisons are noncitizens, and in 2003, California spent at least $635 million for the incarceration of illegal immigrants.

Today's hearing will focus on the impact that could be expected if most of the illegal immigrants in America were to receive amnesty, as proposed in the Reid-Kennedy bill. While amnesty to immigrants might be less likely to work off the books, it is absolutely essential that we recognize and carefully consider the fact that if legalized, they will also become eligible for many local, State and Federal welfare programs for which they are currently ineligible.

In addition, under the Reid-Kennedy bill, they will be able to collect money from the Social Security Trust Fund based on the work they performed while here as illegal immigrants who do not get Social Security numbers thus, placing further obligations on our already strained Social Security system.

In terms of the Federal budget alone, the Center for Immigration Studies estimates that the cost to taxpayers of each illegal immigrant is currently over $2,700 per year. CIS further estimates that the blow to American taxpayers will more than double from $10 billion to almost $29 billion a year should illegal immigrants receive amnesty. Other independent estimates will indicate that the costs could be even higher.

While immigration is an emotional issue for millions of Americans, we cannot allow emotion alone to dictate the manner in which we respond to this pressing national issue. I believe that the American people expect and deserve Members of Congress to approach immigration policy in a thoughtful, factual, and responsible manner. We will not have met this obligation unless we fully understand how our actions will affect the tax burden, and access to quality health care, education, and Government services, of this generation and future generations of Americans. It is my hope that our hearing today will contribute to the extensive substantive examination that must inform this Committee's and Congress'consideration of these critical issues.

I now recognize the gentleman from California, Mr. Berman for an opening statement.

[The prepared statement of Mr. Sensenbrenner follows:]

PREPARED STATEMENT OF THE HONORABLE F. JAMES SENSENBRENNER, JR., A REPRESENTATIVE IN CONGRESS FROM THE STATE OF WISCONSIN, AND CHAIRMAN, COMMITTEE ON THE JUDICIARY

Good afternoon. Today's hearing is the first in a series that the House of Representatives Committee on the Judiciary plans to hold throughout the months of Au-

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Certainly the largest single fiscal impact of illegal immigrants is the cost to taxpayers of educating their children, whether U.S. or foreign-born. The Supreme Court has ruled that absent clear instructions from Congress, local communities are not permitted to deny elementary and secondary education to illegal immigrant children. Nationwide, public education costs over $7,700 per student per year. Most illegal immigrants with three young children are simply not going to pay enough in taxes each year to cover the $23,000 cost of educating their children. Additionally, the contribution of illegal immigrants to overcrowding in America's schools is a growing problem across the United States.

Another huge fiscal drain is the cost of uncompensated health care for illegal immigrant families. The majority of illegal immigrants do not have health insurance. As a result, hospitals in the southwest border counties of Texas, New Mexico, Arizona, and California alone incur costs of $190 million per year for uncompensated emergency medical treatment of illegal immigrants. The California Hospital Association worries that care for illegal immigrants could force some hospitals into bankruptcy.

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Mr. BERMAN. Well, thank you very much Mr. Chairman. And with great respect and affection for you, I will now take a very different view of the process we're about to embark on over the next month, month and a half.

I think people can throw the civic textbooks out, because those textbooks tell us and more than 200 years of history tell us that hearings are normally held before bills are passed. They're used to gather information that might assist in drafting the bill. Had the Judiciary Committee of the House held as many hearings before the bill passed on the House bill as it is holding after the fact on the Senate bill, the House might have passed a more effective bill.

When two Houses of Congress pass a bill, the bill goes to conference, not to hearings, to see if we can be working out the differences. We're moving backwards in the process.

Last December the Chairman introduced a bill which was passed by the House. That bill was introduced on a Tuesday and without a single hearing on the provisions of that bill in the full Judiciary Committee on it was marked up, moved to the floor and passed the following Friday. No hearings on that bill. There was no real deliberative process and no solution to America's need for meaningful immigration reform.

The Senate passed an immigration bill in May and for more than 2 months now the Republican Majority in the House has been sitting on its hands. They want to avoid a conference because this issue divides their party, and this is an election year.

I don't think the Senate bill is an ideal solution, but if we don't sit down at the table to work on a conference, we'll end up doing nothing. We're going to have a witness, Kevin—I think it's Kevin Burns from the Medical Center at the University of Arizona who is going to talk about the total failure of the Senate bill. But I assume when he reads it, he will also agree the House bill to deal with the incredible health care costs caused by the problem of illegal immigration on our State, local governments, teaching hospitals and other such institutions.

These hearings are a con job on the American people. The Republican Majority in the House is trying to persuade the American public that they want very badly to enact immigration reform, but they just need to study it a little bit more in these hearings before they can get the job done. Instead of defending their bill in Congress, they want to come in and explain to them why this bill is superior to the bill they like to call the Reid-Kennedy bill. That's a bill—I mean, it sounds like when the Daily Worker used to spread the official party line from Moscow; if you say a lie enough, it becomes the truth.

That Senate bill was introduced, the primary sponsor was a senator, Republican Senator John McCain of Arizona with Senator Kennedy as his partner. It went to a Committee chaired by Arlen Specter, Republican of Pennsylvania, that made a number of changes in that bill. It went to the Senate Floor where two Republican senators, Hagel and Martinez put together a compromise that basically was blessed by the Republican White House and passed the Senate. But for the Republicans in the Majority here, it's the Reid-Kennedy bill.

What do you think they're up to? Even though Republicans hold the White House, a majority in both house of Representatives and the Senate, they cannot sit down and put together a real immigration reform package that will produce meaningful long term results.

You know what's going to happen? Late September, early October we're going to recess. Maybe the House will pass their bill one more time. They know it won't become law. And then they're going to hope they can persuade the American people that on one of the most critical crises we have in domestic policy, that is the total failure to deal with the issue of illegal immigration effectively, that when they come back after the election or maybe next year they'll get really serious about doing something. And now they're going to have to explain to the American people why there are still 12 million people in this country using false identifiers, why nothing real has happened to better secure our border, why there is nothing in law protecting the jobs of American workers by implementing a real employer verification program. Why only little minor actions are done to help our Border Patrol agents and why fundamentally nothing has been done to fix an inadequate and broken immigration system.

The American people have a right to be angry about the fact that this Congress has done nothing because the failure to act has made our immigration problem exponentially worse.

The reality we know; everyone at this table in their heart of hearts knows it. A bill that's embraced by Tom Tancredo cannot be passed by the Senate and will not be signed by the President. A bill that is opposed by Tom Tancredo can only be passed if Republicans and Democrats, House and Senate and the White House, which is more than willing to do so, work on a bipartisan basis to clean up both bills and find some fundamental way to make our borders more secure, to implement a meaningful employer verification system to deal with the fact that there are 12 million people in this country using the false identifiers to deal with the incredible exploitation and therefore the displacement of many American workers. That's the only way it's going to happen. It's not going to happen by a bunch of hearings in September and August and then recessing and trying to con the American people into saying that we're going to come back maybe after the election, maybe next year and really deal with it.

I yield back, Mr. Chairman.

Chairman SENSENBRENNER. Without objection all Members' opening statements will be placed in the record in the record at this time.

The five witnesses that we have today are: The Honorable Michael D. Antonovich, Mayor of the County of Los Angeles; Sheriff Leroy D. Baca, the Sheriff of Los Angeles County, California; Robert Rector, a Senior Research Fellow in Domestic Policy Studies at the Heritage Foundation; Kevin J. Burns, Chief Financial Officer of the University Medical Center Corporation of Tucson, AZ; and Professor Wayne Cornelius of the University of California San Diego.

Gentlemen, would you please stand and raise your right hand and be sworn in?

[Witnesses sworn.]

Chairman SENSENBRENNER. Let the record show that each of the witnesses answered in the affirmative.

The first witness will be The Honorable Michael D. Antonovich, Mayor of the County of Los Angeles. Supervisor Michael Antonovich represents the 2 million residents of Los Angeles County's Fifth Supervisory District in the San Gabriel, Pomona, San Fernando, Santa Clarita and Antelope Valley areas.

He served in the California State Assembly until 1978 and has served the people of Los Angeles County as a member of the Board of Supervisors since 1980.

Sheriff Leroy Baca of Los Angeles County, California was sworn in as the 30th Sheriff of Los Angeles County on December 7, 1998. He commands the world's largest sheriff department in the world and supervisors more than 13,000 sworn and civilian personnel. He has served the Los Angeles County Sheriff's Department since joining it on August 23, 1965.

Now Robert Rector is a leading authority on poverty and the U.S. welfare system. He is currently the Senior Research Fellow in Welfare and Family Issues at the Heritage Foundation in Washington. He has studied welfare and poverty issues at the foundation for the last 18 years and his articles have been published in the Wall Street Journal, Los Angeles Times and hundreds of other newspapers.

Kevin Burns is the Chief Financial Officer for Arizona's sole teaching hospital and Southern Arizona's only level 1 trauma center. He is responsible for the financial management and health of the University Medical Center overseeing its financial reporting, operational and capital budgeting, investment and treasury management, information systems and revenue cycle activities.

Professor Wayne Cornelius is the Gildred Professor of Political Science in U.S. Mexican relations at the University of California San Diego. Dr. Cornelius specializes in comparative studies of the political economy of immigration and immigration policy in advanced industrial nations, Mexican politics and U.S. Mexican relations.

Supervisor Antonovich, I will recognize you first.

I would like to ask each of you to limit your testimony to 5 minutes or thereabouts, but as I've indicated earlier your prepared statements will be included in the record.

Supervisor Antonovich?

STATEMENT OF THE HONORABLE MICHAEL D. ANTONOVICH, MAYOR, COUNTY OF LOS ANGELES

Mr. ANTONOVICH. Thank you, Mr. Chairman, Members of the Committee.

For the record, I was elected to the California State Assembly in 1972 with the esteemed Vice Chairman Howard Berman and served through 1978 as the Republican Whip.

In discussing immigration, one must first distinguish between legal and illegal immigration. Legal immigration strengthens our nation. However, illegal immigration is an affront to those who legally immigrate to this country. It tears at the moral and economic fabric of our society, and it ought not to be rewarded.

Los Angeles County has a population larger than 42 States, 10.2 million people. However, it is also home to almost approximately 12 percent of the country's illegal immigrant population, the largest of any county in the United States. Unlike the East Coast where the cities run most of the social service and criminal justice programs, Los Angeles County has the responsibility for felony prosecutions and all the social and welfare services. Our 88 cities are more comparable, if you compare it to New York City, as to burroughs where the county here has the responsibility with the District Attorney and the Sheriff along with the social services programs.

As we have experienced since the passage of the Simpson-Mazzoli legislation, which I supported, in 1986 amnesty has only provided incentives for continued illegal entry into our country. We must not repeat the mistakes of the past. We need to tighten the borders, increase enforcement, prosecution, and end ineffective strategies including the "Catch and Release" program for detained illegals.

The fiscal drain on the taxpayers by those who are here illegally is catastrophic. In public safety, health care and social services illegals cost Los Angeles County taxpayers nearly $1 billion per year. And this does not include the cost of education.

Twenty-five percent of our inmates in our county jails are illegals. The cost to our county's justice system is $150 million a year which includes incarceration, prosecution, defense and probation.

Our health care delivery system has become the HMO for the world. Within our health care delivery system, approximately 30 percent are illegals who are being treated annually at a cost of roughly $360 million a year. This includes inpatient and outpatient services as well as mental health care.

Our county's Department of Health Services estimates that nearly 26 percent of the ambulatory care visits were made by illegal immigrants.

We are one of the few countries in the world where children of illegal aliens become automatically citizens when born here. As a result, every child born to an illegal alien is entitled to a variety of social services, including welfare until they reach the age of 18. That cost for Los Angeles County taxpayers is nearly $276 million annually in CAL Works payment, formerly called Aid For Dependent Children. And this does not include the cost of food stamps and child care services.

The nearly 100,000 children of the 60,000 undocumented parents received aid in January 2006 for a total of 160,000 illegal immigrants and their U.S. born children. If they were put into one city, they would be the fifth largest city in the County of Los Angeles

We have a meltdown in our public schools. The Los Angeles Unified School District has the highest percentage of non-English speakers of all school districts in the country, nearly half of all who do not speak English.

Forty-four percent of the Unified School students receive a high school diploma, making the 727,000 student District's graduation rate among the lowest in the country.

Illegal immigration causes American citizens and legal immigrants to pay more for jails, hospitals and classrooms.

We have made some reforms. One of the programs I initiated with my longtime Chief of Staff, the late Dr. Tom Silver, took us about 8 years to get adopted. The High Intensity Criminal Alien Apprehension And Prosecution Program, HI-CAAP, is a multi-jurisdictional program which identifies previously deported criminal illegal aliens using fingerprint identification.

Another program which took us about 5 years to implement, is a memorandum of understanding between the Sheriff of Los Angeles County, who is with us today, and Immigration and Customs Enforcement. This MOU was adopted by the County Board in January of 2005. It allows trained and certified Sheriff's personnel to identify criminal illegal aliens in the jails through an interview process. With the help of these Sheriff's personnel, fewer criminal aliens are released back into our communities. In fact, there's been an increase of over 40 percent in the number of ICE holds over the same period as last year. The pilot program needs to continue and be expanded with additional resources from the Federal Government.

We also need to increase funding for more prosecutions by the United States Attorney for those who violate Federal immigration laws. The United States Attorney's Office in Los Angeles has lost millions of dollars in the last 5 years. This has resulted in the loss of over two dozen prosecutors. I would recommend that we would fully fund and fully staff the Southern California United States Attorney's Office. And the Federal Government needs to fully fund the State Criminal Alien Assistance Program, SCAAP, and all of the other unfunded services provided to illegals to recognize the total economic impact that this has on local government.

I would also recommend the establishment of medical centers along the Mexican side of the American/Mexican border States. Just as we have county hospitals teaching students——

Chairman SENSENBRENNER. Mayor, your time has expired.

Mr. ANTONOVICH. Could I have 60 seconds, Mr. Chairman?

Chairman SENSENBRENNER. Without objection.

Mr. ANTONOVICH. We could have these health centers with qualified American and Mexican teaching physicians and nursing professionals that would provide the opportunity of providing service on the side of the Mexican side of the border and providing opportunities for these people to be trained.

Also a guest worker program that would be bonded, that would provide legitimacy, security and opportunity to work in the United States while sparing taxpayers the burden of financing their health care. President Eisenhower initiated a program that permitted up to 400,000 Mexicans a year to enter the U.S. for agriculture jobs that lasted from 12 to 52 weeks.

A similar program of a trained reserved component like our sheriffs and police departments have would provide additional officers for the Border Patrol.

And a cost effective program in establishing employer hotline to quickly verify the legitimacy of Social Security numbers with the Federal Government being responsible for enforcement.

And along with those is to encourage Mexico to develop privatized companies just as they've done in China, the Dominican Republic and Eastern Europe. For example in the oil company if that was privatized, that would provide a stable source of oil and energy instead of having us dependent upon the Middle Eastern oil and provide economic opportunities for the citizens in Mexico.

Thank you, Mr. Chairman.

[The prepared statement of Mr. Antonovich follows:]

PREPARED STATEMENT OF MICHAEL D. ANTONOVICH

Board of Supervisors
County of Los Angeles

MICHAEL D. ANTONOVICH
MAYOR

Testimony by
Los Angeles County Supervisor Michael Antonovich
before the House Judiciary Committee
August 2, 2006
San Diego, California

Immigration Hearing

IN DISCUSSING IMMIGRATION, ONE MUST FIRST DISTINGUISH BETWEEN LEGAL AND ILLEGAL IMMIGRATION.

LEGAL IMMIGRATION STRENGTHENS OUR NATION.

HOWEVER, ILLEGAL IMMIGRATION IS AN AFFRONT TO THOSE WHO *LEGALLY* IMMIGRATE.

IT TEARS AT THE MORAL AND ECONOMIC FABRIC OF OUR SOCIETY. IT SHOULD NOT BE REWARDED.

ROOM 869 KENNETH HAHN HALL OF ADMINISTRATION, 500 WEST TEMPLE STREET, LOS ANGELES, CALIFORNIA 90012
TELEPHONE (213) 974-5555 • FAX (213) 974-1010 • WEBSITE http://antonovich.co.la.ca.us/

LOS ANGELES COUNTY HAS A LARGER POPULATION THAN 42 STATES--10.2 MILLION.

HOWEVER, IT IS ALSO HOME TO ALMOST 12% OF THE COUNTRY'S ILLEGAL IMMIGRANT POPULATION -- THE MOST OF ANY COUNTY IN THE NATION.

UNLIKE THE EAST COAST WHERE THE CITIES RUN MOST OF THE SOCIAL SERVICE AND CRIMINAL JUSTICE PROGRAMS, LOS ANGELES COUNTY HAS THE RESPONSIBILITY FOR FELONY PROSECUTIONS AND ALL SOCIAL AND WELFARE SERVICES.

OUR 88 CITIES ARE MORE SIMILAR TO NEW YORK CITY'S BURROUGHS.

AS WE HAVE EXPERIENCED SINCE THE PASSAGE OF THE SIMPSON-MAZZOLI LEGISLATION IN 1986, AMNESTY ONLY PROVIDED INCENTIVES FOR CONTINUED ILLEGAL ENTRY INTO OUR COUNTRY.

WE MUST NOT REPEAT THE MISTAKES OF THE PAST. WE NEED TO TIGHTEN THE BORDERS, INCREASE ENFORCEMENT, PROSECUTION, AND END INEFFECTIVE

STRATEGIES INCLUDING THE "CATCH AND RELEASE" PROGRAM FOR DETAINED ILLEGALS.

THE FISCAL DRAIN ON THE TAXPAYERS BY THOSE WHO ARE HERE ILLEGALLY CATASTROPHIC.

IN PUBLIC SAFETY, HEALTHCARE, SOCIAL SERVICES AND EDUCATION, ILLEGALS COST LOS ANGELES COUNTY TAXPAYERS NEARLY $1 BILLION DOLLARS PER YEAR.

TWENTY-FIVE PERCENT OF INMATES IN OUR COUNTY JAIL SYSTEM ARE ILLEGALS.

THE COST TO OUR COUNTY'S JUSTICE SYSTEM IS $150 MILLION DOLLARS A YEAR WHICH INCLUDES INCARCERATION, PROSECUTION, DEFENSE AND PROBATION.

OUR HEALTH CARE DELIVERY SYSTEM HAS BECOME THE HMO FOR THE WORLD.

WITHIN OUR HEALTH CARE DELIVERY SYSTEM, APPROXIMATELY 30 PERCENT ARE ILLEGALS WHO ARE BEING TREATED ANNUALLY AT A COST OF ROUGHLY $360

MILLION DOLLARS.

THIS INCLUDES INPATIENT AND OUTPATIENT SERVICES AS WELL AS MENTAL HEALTHCARE.

OUR COUNTY'S DEPARTMENT OF HEALTH SERVICES ESTIMATES THAT NEARLY 26% OF THE AMBULATORY CARE VISITS WERE MADE BY ILLEGAL IMMIGRANTS.

WE ARE ONE OF THE FEW COUNTRIES IN THE WORLD WHERE CHILDREN OF ILLEGAL ALIENS BECOME LEGAL CITIZENS IF BORN HERE.

AS A RESULT, EVERY CHILD BORN TO AN ILLEGAL ALIEN IS ENTITLED TO A VARIETY OF SOCIAL SERVICES, INCLUDING WELFARE, UNTIL THEY ARE 18 YEARS OF AGE.

THIS COSTS LOS ANGELES COUNTY NEARLY $276 MILLION DOLLARS ANNUALLY IN CAL WORKS PAYMENTS (FORMERLY CALLED AID TO FAMILIES OF DEPENDENT CHILDREN.) THIS DOES NOT INCLUDE THE COSTS OF FOOD STAMPS AND CHILD CARE SERVICES.

NEARLY 100,000 CHILDREN OF 60,000 UNDOCUMENTED PARENTS RECEIVED AID IN JANUARY 2006 – FOR A TOTAL OF 160,000 ILLEGAL IMMIGRANTS AND THEIR U.S. BORN CHILDREN RECEIVING GOVERNMENT AID.

IF THEY WERE INCORPORATED INTO A CITY, IT WOULD BE THE 5TH LARGEST CITY IN LOS ANGELES COUNTY.

WE HAVE A MELTDOWN IN OUR PUBLIC SCHOOLS.

THE LOS ANGELES UNIFIED SCHOOL DISTRICT HAS THE HIGHEST PERCENTAGE OF NON-ENGLISH SPEAKERS OF ALL SCHOOL DISTRICTS IN THE COUNTRY – NEARLY HALF OF ALL STUDENTS DO NOT SPEAK ENGLISH.

JUST 44 PERCENT OF LOS ANGELES UNIFIED STUDENTS RECEIVE A HIGH SCHOOL DIPLOMA, MAKING THE 727,000-STUDENT DISTRICT'S GRADUATION RATE AMONG THE LOWEST IN THE COUNTRY.

ILLEGAL IMMIGRATION CAUSES AMERICAN CITIZENS AND LEGAL IMMIGRANTS TO PAY MORE FOR JAILS, HOSPITALS AND CLASSROOMS.

WE HAVE MADE SOME REFORMS. ONE OF THE PROGRAMS I INITIATED WITH MY LONGTIME CHIEF OF STAFF, THE LATE DR. TOM SILVER, TOOK US ABOUT EIGHT YEARS TO GET ADOPTED.

THE HIGH INTENSITY CRIMINAL ALIEN APPREHENSION AND PROSECUTION PROGRAM (HI-CAAP) IS A MULTI-JURISDICTIONAL PROGRAM TO IDENTIFY PREVIOUSLY DEPORTED CRIMINAL ILLEGAL ALIENS USING FINGERPRINT IDENTIFICATION.

ANOTHER PROGRAM WHICH TOOK US ABOUT FIVE YEARS TO IMPLEMENT, IS A MEMORANDUM OF UNDERSTANDING (MOU) BETWEEN THE SHERIFF OF LOS ANGELES COUNTY AND IMMIGRATION AND CUSTOMS ENFORCEMENT.

THIS M.O.U. WAS ADOPTED BY THE COUNTY BOARD OF SUPERVISORS IN JANUARY OF 2005 AND ALLOWS TRAINED AND CERTIFIED SHERIFF'S PERSONNEL TO IDENTIFY CRIMINAL ILLEGAL ALIENS IN THE JAIL THROUGH AN INTERVIEW PROCESS.

WITH THE HELP OF THESE SHERIFF'S PERSONNEL, FEWER CRIMINAL ILLEGALS ARE RELEASED BACK INTO OUR

COMMUNITIES.

IN FACT, THERE HAS BEEN AN INCREASE OF OVER 40% IN THE NUMBER OF I.C.E. HOLDS OVER THE SAME PERIOD OF TIME LAST YEAR.

THIS PILOT PROGRAM NEEDS TO CONTINUE AND EXPAND WITH ADDITIONAL RESOURCES FROM THE FEDERAL GOVERNMENT.

WE ALSO NEED TO INCREASE FUNDING FOR MORE PROSECUTIONS BY THE UNITED STATES ATTORNEY FOR THOSE WHO VIOLATE FEDERAL IMMIGRATION LAWS.

THE UNITED STATES ATTORNEY'S OFFICE IN LOS ANGELES HAS LOST MILLIONS OF DOLLARS IN THE LAST FIVE YEARS. THIS HAS RESULTED IN THE LOSS OF OVER TWO DOZEN PROSECUTORS.

THE FEDERAL GOVERNMENT ALSO NEEDS TO FULLY FUND THE S.C.A.A.P. PROGRAM IN ORDER TO RECOGNIZE THE SEVERITY OF THE IMPACT OF ILLEGAL IMMIGRATION ON ONE OF THE HARDEST HIT COUNTIES IN THE COUNTRY.

I WOULD RECOMMEND:
THE ESTABLISHMENT OF MEDICAL CENTERS ALONG THE MEXICAN SIDE OF THE AMERICAN/MEXICAN BORDER STATES.

JUST AS WE HAVE COUNTY HOSPITALS TEACHING STUDENTS TO BECOME QUALIFIED PHYSICIANS AND NURSING PROFESSIONALS, THESE TYPES OF FACILITIES ON THE MEXICAN SIDE OF OUR BORDER STATES WOULD AFFORD MEXICAN MEDICAL STUDENTS SIMILAR OPPORTUNITIES.

IT MAKES SENSE AND WOULD BE CHEAPER TO PROVIDE MEDICAL SERVICE THAN TO HAVE INCENTIVES FOR PEOPLE TO COME HERE ILLEGALLY. THAT'S A GOOD INVESTMENT IN FOREIGN AID.

A BONDED GUEST WORKER PROGRAM WOULD ALLOW AN IMMIGRANT TO WORK HERE TEMPORARILY WHILE BONDED FOR ANY MEDICAL CARE THEY MAY NEED WHILE IN THE UNITED STATES.

THIS GUEST WORKER PROGRAM WOULD PERMIT

FOREIGN WORKERS TO REGISTER IN THEIR COUNTRY FOR TEMPORARY JOBS IN THE UNITED STATES.

THIS PROVIDES THE WORKER LEGITIMACY, SECURITY AND THE OPPORTUNITY TO WORK IN AMERICA WHILE SPARING TAXPAYERS THE BURDEN OF FINANCING THEIR HEALTH CARE AND OTHER PUBLIC SERVICES.

PRESIDENT EISENHOWER INITIATED SUCH A PROGRAM. IT PERMITTED UP TO 400,000 MEXICANS A YEAR TO ENTER THE UNITED STATES FOR VARIOUS AGRICULTURE JOBS THAT LASTED FROM 12 TO 52 WEEKS.

THE ESTABLISHMENT OF A TRAINED RESERVE COMPONENT -- SIMILAR TO RESERVE UNITS UTILIZED BY THOUSANDS OF POLICE AND SHERIFF DEPARTMENTS ACROSS THE NATION -- IS A PROVEN COST-EFFECTIVE PROGRAM TO INCREASE THE NUMBER OF BORDER PATROL OFFICERS.

ESTABLISHING A HOTLINE FOR EMPLOYERS TO QUICKLY VERIFY THE LEGITIMACY OF SOCIAL SECURITY NUMBERS WITH THE FEDERAL GOVERNMENT BEING RESPONSIBLE FOR ENFORCEMENT.

ALONG WITH THESE RECOMMENDATIONS, THE UNITED STATES NEEDS TO ENCOURAGE MEXICO TO PRIVATIZE THEIR STATE-RUN OIL COMPANY.

JUST AS ENGLAND, CHINA, THE EASTERN EUROPEAN NATIONS AND THE DOMINICAN REPUBLIC HAVE PRIVATIZED MANY INDUSTRIES, A MARKET- BASED ECONOMY WILL HELP MEXICO TO IMPROVE JOB OPPORTUNITIES AND REDUCE UNITED STATES RELIANCE ON OIL FROM THE MIDDLE EAST.

IT WILL ALSO GROW THE MEXICAN MIDDLE CLASS AND REDUCE THE EXODUS OF MEXICANS IMMIGRATING TO AMERICA FOR JOBS AND OPPORTUNITY.

Chairman SENSENBRENNER. Thank you.
Sheriff Baca?

STATEMENT OF SHERIFF LEROY D. BACA, SHERIFF, LOS ANGELES COUNTY, CALIFORNIA

Sheriff BACA. Thank you. I'm delighted to be here.
Chairman SENSENBRENNER. The other button. Are we on?
Sheriff BACA. Okay. Thank you very much.

And I recognize how difficult this problem is and I commend you for coming together at this point in time in a very important part of the United States to discuss a problem that is so difficult to get your hands around it. I'm hoping that whatever I can say and those on this panel will offer you some additional wisdom in solving the problem.

Los Angeles County, as indicated by Mayor Antonovich, has been plagued with this problem perhaps longer and more intensely than any other part of the United States. And San Diego, obviously, has had a significant amount of difficulty in dealing with this problem as well.

The mass migration in the United States is just something that's been going on too long and the consequences are rather severe, as you all well know.

The Los Angeles County jail system, as indicated by the Mayor, has 26 percent of its population as illegal immigrants. When I look at the various solutions that have been offered both on the Senate side and the House side, it's clear to me and the sheriffs throughout the United States that in order to effectively cut off the flow, the border must be secured. And that border security is absolutely critical to what any solution is for the immediate present term problem. We learned that when the prior Administration Bush 1, if I can call Bush 1, Bush 1, offered up a solution that made a lot of sense. But quickly in the subsequent years the problem just reappeared itself. And therein we have a problem, that the borders be secured.

The sheriffs of our country and the police chiefs of our country cannot enforce a law without proper funding. And if you decide to enact legislation that would bring local law enforcement in the solution, you're going to have to fully fund every police department and every sheriff's department 100 percent of whatever its costs are.

The trouble we see in the one House bill that $250,000 is set aside for a law enforcement agency to do some of this work. Now I may have misread that figure, but clearly in Los Angeles County alone it's going to cost the entire county over $100 million to do enforcement work as well as incarceration work. And therein I think the top recommendation that I can make to you would be:

(1) Recognize that we do not have a law enforcement agency that is a national law enforcement agency on this issue. Even the Border Patrol, FBI and any other form of Federal law enforcement they aren't equipped to divert themselves wholly to the solution of arresting illegal aliens. Thus, logic would say that local law enforcement needs to do the job. But you cannot divert us from our primary task of chasing down hard core criminals as well as softer criminals. If we're going to get into this business, we're going to

have to be fully funded. We're going to have to have an ability to be a voice in whatever is going to go on between ourselves and the Federal Government. That we want to have you focus not only on illegal immigrants here trying to find work, but the most vexing part of this is the illegal immigrants that we do work with Federal authorities in deporting, they do get deported. And in Los Angeles County in a study that we showed, in 5 years, deported illegal immigrant, 70 percent were rearrested in Los Angeles County four more times. Which tells me that the criminal illegal immigrant, the one that's committing murders and robberies and burglaries and drug dealing and all that can get deported but will quickly find his way back into the United States which creates a double problem for all of us.

So, thus, I have 12 recommendations from the National Sheriffs' Association that I would like to represent to you. I'm not going to read them all into the record here.

But a partnership means a true partnership. And because the United States is policed by 3,000 sheriff departments and 6,000 police departments we have no national police department as such. So each one of these agencies is going to have to have a real contract with the Federal Government with full reimbursement, with full provisions for training as well as for technology enhancements. Because to round up 11 or 12 million people is going to take every imaginative and creative resource we can put together to do this.

And so I only ask that before you push the problem down to the local law enforcement agencies that you ask this what do we need to get the job done. And that a committee, if you're going to go that way, needs to be formed. The National Police Chiefs, the National Sheriffs, I sit on the major sheriffs and major police chiefs association as a board member. And we'd be happy to help you.

Thank you very much.

[The prepared statement of Sheriff Baca follows:]

PREPARED STATEMENT OF LEROY D. BACA

The impact of international border security reaches far beyond the line between California and Mexico. Although the County of Los Angeles is not geographically contiguous to the U.S./Mexican border, issues of illegal entry into the United States are important in the early intervention and prevention of terrorism. In order to remain adequately prepared, it is essential to have an effective network for information sharing and analysis. My testimony today will focus on efforts made by my Department in cooperation with federal, state and local agencies to share information aimed at preventing, disrupting or mitigating a terrorist attack.

Originated in 1996 by two Los Angeles County Sheriff's deputies, the Terrorism Early Warning (TEW) Group has been identifying and analyzing indications of the potential for a terror attack within Los Angeles County. The TEW provides a system to collect and process information across jurisdictional and disciplinary lines, and therefore, enables a complete perspective beyond that of only traditional criminal intelligence. From its humble beginnings, the TEW now employs subject matter experts from law enforcement, the fire service, public health, academia and the military, all-working together to ensure the safety of Los Angeles County residents. The TEW has recently evolved into the Joint Regional Intelligence Center (JRIC), which combines assets from the Los Angeles County Sheriff's Department, Los Angeles Police Department, FBI, United States Attorney General's Office and the California State Office of Homeland Security (OHS). It is here that representatives from federal and state agencies work side by side with local public safety practitioners. Participation also includes representatives from the surrounding six counties as cooperative partners. Included in this system is an extensive network of Terrorism Liaison Officers (TLO), who act as primary points of contact for their respective agencies. The creation of long-term relationships built on mutual trust has resulted in high

quality analytical products that are provided to decision makers covering a variety of terror related subjects. The combination of analysts from a variety of agencies and disciplines enables an expansive view for identifying trends and recognizing potential activity, which could indicate a pending terrorist attack.

The U.S. Department of Homeland Security's (DHS) presence at the JRIC is essential. In addition to the one analyst currently assigned however, there is a need for full-time representatives from other DHS agencies such as Customs and Border Protection, Immigration and Customs Enforcement, the Transportation Security Agency and the Coast Guard. These organizations possess critical information that must be synthesized with local intelligence to provide the clearest view possible of potential threats to the nation and the region. All of these partnerships are necessary to overcome the traditional bureaucratic inertia in the field of intelligence sharing.

To further this effort, The Los Angeles County Sheriff's Department also participates on the Los Angeles Joint Terrorism Task Force (JTTF). Alongside our partners from federal, state and local agencies, Los Angeles County Deputy Sheriff's investigate cases linked to terrorism within the County. Information gathered during these investigations is disseminated by the FBI on a regular basis to all appropriate agencies.

The State of California has also recognized the value of cooperation between federal, state and local agencies by funding a series of Regional Terrorism Threat Assessment Centers (RTTAC). The JRIC functions as the RTTAC for the Southern California Region, which encompasses a total of seven counties. I strongly encourage the participation of any public agency involved in issues of Homeland Security with its local RTTAC, TEW or other fusion center to ensure the best possible analysis and information sharing.

Los Angeles County is more than 100 miles from the Mexican border, but we feel the effects of its vulnerability. Twenty-six percent of the inmates in the custody of the Los Angeles County Sheriff's Department are eligible for State Criminal Alien Assistance Program (SCAAP) funding, which indicates their illegal presence in the United States. However, SCAAP funding requirements are so stringent that 26 percent is not an accurate assessment of the actual number of immigration status offenders in County custody. When the SCAAP funding requirements are set aside, we believe that actual percentage is closer to 40 percent. As a result of this funding disparity, my Department is not reimbursed adequately by the federal government. I would request that Congress take another look at the SCAAP program for a more equitable reimbursement process. Whether the percentage is 26 or 40, these inmates have entered the United States in every way imaginable, from fraudulently obtained visas, to stowing away in cargo containers to simply walking across an unguarded section of the border. While in Los Angeles County, these inmates have committed crimes that resulted in their being incarcerated in my jail system. Recognizing the need to have these offenders screened prior to release into the community, Los Angeles County entered into a Memorandum of Understanding with the Department of Homeland Security, Bureau of Immigration and Customs Enforcement to provide training to custodial personnel regarding immigration status offenses. This training enables county employees to screen inmates for potential deportation proceedings once their Los Angeles County criminal cases have been adjudicated. This pilot program, now in its sixth month has resulted in 3,317 interviews of potential illegal immigrants. Of these, federal immigration holds were placed on 1,886 inmates of whom 1,431 were approved for action by the Bureau of Immigration and Customs Enforcement. This cooperative arrangement with the federal government is the first of its kind and would have been unthinkable prior to September 11th.

As to the more general question regarding terrorists crossing the southern border, I have no reason to dispute FBI Director Mueller's statements regarding his belief that it is not only possible, but that it has already occurred. It makes logical sense that anyone wishing to enter the United States illegally would use paths that have proven successful in the past. Millions of illegal immigrants have successfully crossed our southern border and are living undetected within Los Angeles County. While most have come looking to improve their economic status in life, the obligation of all of us in public safety is to, first, keep those that would harm the United States from entering, and second, remove them from our community should we find them already here. As the elected leader of the Los Angeles County Sheriff's Department, I am committed to expanding cooperation with all federal, state and local agencies in our efforts to combat terrorism. The citizens of Los Angeles County and the nation deserve a secure homeland. No one agency can provide that security. Only by working together in a collaborative, mutually supportive environment can we provide the security we all assumed was in place prior to September 11th.

Thank you for the opportunity to participate in this hearing, and I look forward to answering any questions you may have.

Chairman SENSENBRENNER. Thank you, Sheriff.

Mr. Rector.

STATEMENT OF ROBERT RECTOR, SENIOR RESEARCH FELLOW IN DOMESTIC POLICY STUDIES, THE HERITAGE FOUNDATION

Mr. RECTOR. Thank you very much for the opportunity to be here today and to testify before this Committee. I'm going to focus on the fiscal or governmental cost impacts of low skill immigration both legal and illegal and the role of the Senate Immigration Reform bill in exacerbating those problems.

In a nutshell over the last 20 years or so the United States has imported about 10 million high school dropouts, both legal and illegal into the United States and the fiscal impact of importing 10 million high school dropouts is about the same as if you had 10 million native born high school dropouts. It's very expensive to the Government. These individuals contribute very little in taxes, take out a lot in services. But overall if we look across the country there are about 50 million people living in immigrant households in the United States, about one-third of those live in households headed by a person who does not have a high school degree. If you look at illegals, it's one-half of them are in households where the head of that household does not have a high school degree.

The National Academy of Sciences in a very comprehensive study of the fiscal impact of immigration said that each high school dropout immigrant coming into the United States costs the taxpayers of the United States about $100,000 over the course of his lifetime. That would mean if you took that figure, and that's net of the taxes that he puts in, if you took that figure and applies it to the current illegal population it would indeed result in something like a net cost of a half a trillion dollars over the course of lifetime. Just another way of looking at the same thing.

The typical high school dropout family, let's say a family of four headed by somebody who does not have a high school degree, on average across the United States receives something like $4,000 per person in needs benefits, that's something $16,000 per family. Then you add on top of that the cost of educating two children in the family, that's another $16,000 a year. That alone on those costs alone is close to $30,000 a year. If they're illegals, they don't get all of those benefits but if you grant them amnesty, they would in fact fall into that same pattern.

Overall if you were to look at our country we now find that one out of four poor children in the United States are the children of immigrants. One out of ten are the children of illegal immigrants poor children are the children of illegals. And overall, roughly about one out of six poor children in the United States are in this particular category of kids whose parents are either legal or illegal immigrants who have very low education levels.

The continual influx of this very low scale, low poorly educated population is having a dramatic effect of driving up poverty rates in the United States. And I would say as a poverty expert it will be virtually impossible for us to reduce child poverty in the United

States through either liberal or conservative policies as long as we continue to have this influx.

Now, with respect to the costs of the Senate bill, the Senate bill one of its key features is to give amnesty to around 10 million current illegal immigrants. That means that they will probably pay more in taxes, but it also means that they're eligible for a much wider variety of welfare programs. And as a result of that increased welfare eligibility, I calculate that the amnesty alone would have a direct cost of around $16 billion a year.

In addition beyond that, once they are granted amnesty they have a right to bring in children and spouses from abroad. Those individuals would also become eligible for Government services and welfare adding additional costs on top of that.

Then finally if you give amnesty and put a pathway to citizenship for 10 million illegal immigrants, everyone of those individuals when they become a citizen has an unconditional right to bring their parents into the United States and if their parents come to the U.S., after they've been here for 5 years, they become eligible for Medicaid services. Medicaid for the elderly costs $11,000 per person per year.

So you're talking about if you have an amnesty for 10 million, potentially having 20 million elderly people from abroad who could enter the United States and access the most expensive and advanced medical system in the world. If even a fraction of those, even say 3 million out of the 20 came in and got into the Medicaid system, the annual costs would be something like $30 billion a year. It's just a staggering cost.

We have a very expensive, very large welfare system in the United States. We simply cannot make it unconditionally available to huge numbers of people from less developed nations.

I would say in addition that this bill grants—brings an additional 50 million or so legal immigrants into the U.S., all of whom would be—many of whom would be low skilled and that would pile even additional costs on top of those I've talked about.

I believe the bill is deeply flawed because providing amnesty is unfair to those people who have tried to come into the country lawfully and because it will impose huge cost. This bill, the Senate bill will be the largest expansion of the U.S. welfare system in 30 years if it's enacted and it's exactly the wrong thing. What we need to do as a policy is bring more high school immigrants into the country. They are net fiscal contributors. They pay more in taxes than they take out. Fewer low skill immigrants.

Thank you very much.

[The prepared statement of Mr. Rector follows:]

PREPARED STATEMENT OF ROBERT RECTOR

CONGRESSIONAL TESTIMONY

Amnesty and Continued Low Skill Immigration Will Substantially Raise Welfare Costs and Poverty

Testimony before
The House Committee on the Judiciary
United States House of Representatives

August 2, 2006

Robert Rector
Senior Research Fellow, Welfare and Family Issues
Domestic Policy Studies
The Heritage Foundation

Introduction

My name is Robert Rector. I am Senior Research Fellow in Welfare and Family Issues at The Heritage Foundation. The views I express in this testimony are my own, and should not be construed as representing any official position of The Heritage Foundation.

This paper focuses on the net fiscal effects of immigration with particular emphasis on the fiscal effects of low skill immigration. The fiscal impact of immigrants varies strongly according to the immigrants' education level. College-educated immigrants are likely to be strong fiscal contributors with taxes exceeding government costs. By contrast, immigrants with low education levels, in most cases, will act as a fiscal drain on other taxpayers. The National Academy of Sciences has estimated that each immigrant who has not completed high school will impose a net cost on the U.S. taxpayers nearly $100,000 over his lifetime. This is important because half of adult illegal immigrants in the U.S., and a quarter of legal immigrants, have less than a high school education. In addition, recent immigrant groups have high levels of out-of-wedlock childbearing which increase welfare costs and poverty.

Recently the Senate passed The Comprehensive Immigration Reform Act (CIRA) (S.2611). This bill will provide amnesty, and put 9 to 10 million illegal immigrants on a path to citizenship. Once these individuals become citizens, the net cost to the federal government through added benefits will be around $16 billion per year. Further, once an illegal immigrant is granted amnesty, he is given the right to bring his spouse and children into the U.S.; these, in turn, would be given the right to become U.S. citizens. These individuals would increase governmental costs even further.

Finally, once an illegal immigrant becomes a citizen, he has the automatic right to bring his parents to live in the U.S. The parents, in turn, may become citizens. After five years in the country most of the parents will be eligible for Medicaid. Medicaid payments for the elderly cost around $11,000 per person per year. The long-term cost of government benefits to the parents of 10 million recipients of amnesty could be $30 billion per year or higher.

In the long run, the Comprehensive Immigration Reform Act (CIRA) (S.2611), if enacted, would prove the largest expansion of government welfare in 35 years. The overall governmental costs of the amnesty provisions alone of CIRA are likely to reach $50 billion per year.

In addition to providing amnesty to 10 million individuals, the Comprehensive Immigration Reform Act (CIRA) would more than double the future rate of legal immigration. Under the act, over 60 million immigrants would enter the country legally or be granted legal status over the next twenty years. All of these new entrants would be eligible to become permanent residents and would have the right to become citizens. Much of this massive flow of new immigrants would be low-skilled, imposing large net costs on U.S. taxpayers.

Current Trends in Immigration

In the last forty years, immigration in the United States has surged. Our nation is now experiencing a second "great migration" similar to the great waves of immigrants which transformed America in the late 19th and early 20th centuries. In 2004, an estimated 35.7 million foreign born persons lived in the U.S. While in 1970 one person in twenty was foreign born, by 2004 the number had risen to one in eight.

About one third of all foreign born persons in the U.S. are illegal aliens. There are between 10 and 12 million illegal immigrants currently living in the U.S. Illegal aliens now comprise 3 to 4 percent of the total U.S. population. Each year approximately 1.3 million new immigrants enter the U.S. Some 700,000 of these entrants are illegal immigrants.[1]

One third of all foreign born persons in the U.S. are Mexican. Overall the number of Mexicans in the U.S. has increased from 760,000 in 1970 to 10.6 million in 2004. Nine percent of all Mexicans now reside in the U.S. Over half of all Mexicans in the U.S. are illegal,[2] and in the last decade 80 to 85 percent of the inflow of Mexicans into the U.S. has been illegal.[3] Mexican women emigrating to the U.S. have a considerably higher fertility rate than women remaining in Mexico.[4]

The public generally perceives illegal immigrants to be unattached single men. This is, in fact, not the case. Some 44 percent of adult illegals are women. While illegal men work slightly more than native born men; illegal women work less. Among female illegal immigrants some 56 percent work compared to 73 percent among native-born women of a comparable age.[5]

Immigrants & Education: A Profile

On average, immigrants have low education levels relative to native born U.S. citizens. One quarter of legal adult immigrants lack a high school degree compared to 9 percent among the native born; however, there is a well educated sub-group within the legal immigrant population as well. Some 32 percent of legal immigrant adults have a college degree, compared to 30 percent of native born adults.[6]

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[1] Jeffrey Passel *Unauthorized Migrants: Numbers and Characteristics,* Pew Hispanic Center, Washington, D.C, June 14, 2005, p.6.
[2] All figures are from Passel, *op. cit.*
[3] Passel, *op. cit.* p. 16.
[4] Ibid., p. 38. Passel asserts this is due to the socio-economic characteristics and region of origin of the emigrant women.
[5] Ibid., pp. 18 and 25.
[6] Ibid.

The education levels of illegal aliens are lower than those of legal immigrants. Half of all illegal immigrant adults lack a high school degree.[7] Among Latin American and Mexican immigrants, 60 percent lack a high school degree and only 7 percent had a college diploma. By contrast, among native-born workers in the U.S., only 6 percent have failed to complete high school and nearly a third have a college degree.[8]

Decline in Immigrant Wages

Over the last 40 years the education level of new immigrants has fallen relative to the native population. As the relative education levels of immigrants have declined, so has their earning capacity compared to the general U.S. population. Immigrants arriving in the U.S. around 1960 had wages, at the time of entry, that were just 13 percent less than natives. In 1965, the nation's immigration law was dramatically changed, and from 1990 on illegal immigration surged; the overall result was a decline in the relative skill levels of new immigrants. By 1998, new immigrants had an average entry wage that was 34 percent less than natives.[9] Because of their lower education levels, the relative wages for illegals would have been even lower.

The low wage status of recent illegal immigrants can be illustrated by the wages of recent immigrants from Mexico, a majority of whom are illegal. In 2000, the median weekly wage of a first generation Mexican immigrant was $323. This was 54 percent of the corresponding wage for non-Hispanic whites in the general population.[10]

Historically, the relative wages of recent immigrants have risen after entry as the immigrant gained experience in the labor market. For example, immigrants who arrived in the U.S. in the 1960s and 1970s saw their relative wages rise by 10 percentage points compared to native wages during their first 20 years in the country. But, in recent years this modest catch up effect has diminished. Immigrants who arrived in the late 1980s actually saw their relative wages shrink in the 1990s.[11]

Immigration and Welfare Dependence

Welfare may be defined as means-tested aid programs: these programs provide cash, non-cash and social service assistance that is limited to low income households. Examples of major means-tested programs are: Food Stamps, Temporary Assistance to Needy Families, public housing, the earned income credit, and Medicaid. Historically, recent immigrants were less likely to receive welfare than were native born Americans;

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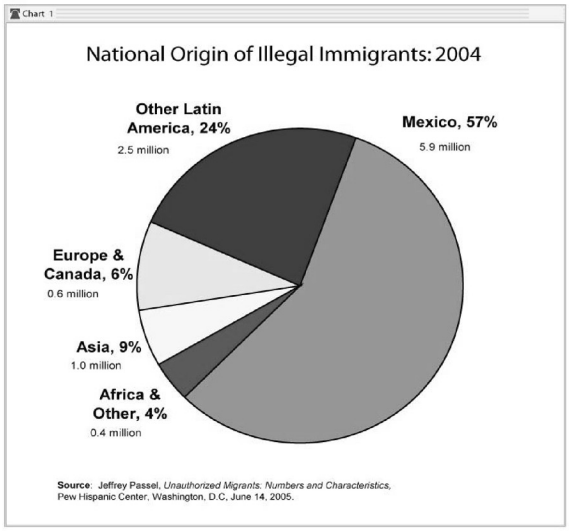
[7] Ibid., p. 23. By contrast, the Center for Immigration Studies estimates that two thirds of illegal immigrants lack a high school degree. Steven A. Camarota, *The High Cost of Cheap Labor: Illegal Immigration and the Federal Budget,* Center for Immigration Studies, Washington D.C., August 2004, p.5.
[8] Robert J. Samuelson " We Don't Need 'Guest Workers'", *Washington Post,* march 22, 2006, p. A21.
[9] George J. Borjas, *Heavens Door: Immigration Policy and the American Economy,* Princeton University Press, United States, 1999, p.28.
[10] Richard Fry and B. Lindsay Lowell, *Work or Study: Different Fortunes of U.S. Latino Generations,* Pew Hispanic Center, Washington, D.C., May 28, 2002, tables B1 and B2. The figures in the text refer to individuals aged 25 to 44.
[11] Borjas, *op.cit.,* p. 30.

however, over the last thirty years this historic pattern has been reversed. As the relative education level of immigrants fell, their tendency to receive welfare benefits increased. By the late 1990s immigrant households were fifty percent more likely to receive means-tested aid than were native born households.[12] Moreover, immigrants appear to assimilate into welfare use. The longer immigrants live in the U.S. the more likely they are to use welfare.[13]

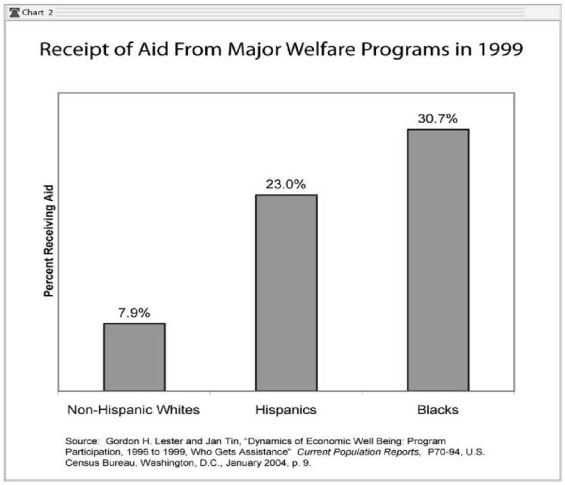
A large part, but not all, of the higher welfare use of immigrants is explained by their low education levels. Welfare use also varies depending on the national origin of the immigrant. For example, in the late 1990s, 5.6 percent of immigrants from India received means-tested benefits; among Mexican immigrants the figure was 34.1 percent, and for immigrants form the Dominican Republic the figure was 54.9 percent.[14] Ethnic differences in the propensity to receive welfare that appear among first generation immigrants persist strongly in the second generation.[15] The relatively high use of welfare among Mexicans has significant implications for current proposals to grant amnesty to illegal immigrants.



[12] Ibid., p. 109.
[13] Ibid., pp. 105, 106. Borjas examined a cohort of immigrants aged 18 to 34 who arrived in the U.S. in 1965 to 1969; over the next three decades, cash welfare use for this cohort of immigrants rose sharply; welfare use among a similar native cohort rose as well but not as steeply.
[14] Ibid., p. 110.
[15] A 10 percentage point difference in receipt of welfare in the first generation leads to an 8.2 percentage point difference between groups in the second generation. Borjas,. *op. cit.* 143

Some 80 percent of illegal immigrants come from Mexico and Latin America.[16] (See Chart 1.) Historically, Hispanics in America have very high levels of welfare use. Chart 2 shows receipt of aid from major welfare programs by different ethnic groups in 1999; the programs covered included Medicaid, Food Stamps, public housing, Temporary Assistance to Needy Families, General Assistance and Supplemental Security Income.[17] As the table shows, Hispanics in the U.S. were almost three times more likely to receive welfare than are non-Hispanic whites. In addition, among families that received aid, the cost of the aid received was 40 percent higher for Hispanics than for non-Hispanic whites.[18] Putting together the greater probability of receiving welfare with the greater cost of welfare per family meant that, on average, Hispanic families received four times more welfare per family than did white non-Hispanics.

Part, but not all, of this high level of welfare use of Hispanics can be explained by background factors such as family structure.[19] It seems likely that, if Hispanic illegals are given permanent residence and citizenship, they and their children will assimilate into the culture of high welfare use that characterizes Hispanics in the U.S. This would impose significant costs on the taxpayer and society as a whole.

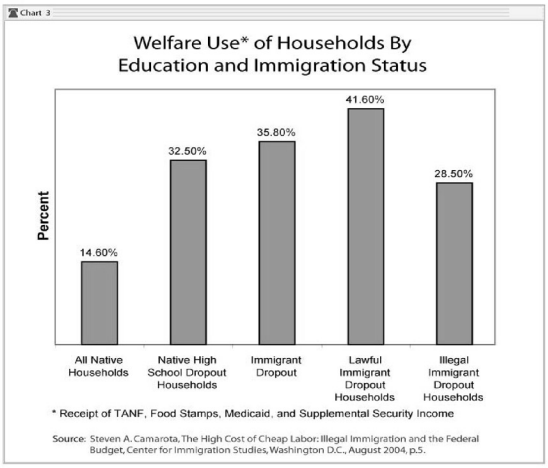


[16] Passel, *op. cit.* p. 4.
[17] Gordon H. Lester and Jan Tin, "Dynamics of Economic Well Being: Program Participation, 1996 to 1999, Who Gets Assistance" *Current Population Reports,* P70-94, U.S. Census Bureau, Washington, D.C., January 2004, p.9.
[18] Ibid., p. 27.
[19] Robert A. Moffit and Peter T. Gottschalk, "Ethnic and Racial Differences in Welfare Receipt in the United States," in Neil Smelser, William Julius Wilson and Faith Mitchell, eds., *America Becoming: Racial Trends and Their Consequences, Volume II,* National Academies Press, Washington, D.C. 2001, pp. 156-158.

Welfare use can also be measured by immigration status. In general immigrant households are about fifty percent more likely to use welfare than are native born households.[20] Immigrants with less education are obviously more likely to use welfare.

The potential welfare costs of low skill immigration and amnesty for current illegal immigrants can be assessed by looking at the welfare utilization rates for current immigrants with low education levels. As Chart 3 shows, immigrants without a high school degree (both lawful and unlawful) are two and a half times more likely to use welfare than is the general native born population.[21] This underscores the high potential welfare costs that may be associated with proposed amnesties to illegal immigrants.

All categories of high school dropouts have a high utilization of welfare. Immigrants who have less than a high school degree are slightly more likely to use welfare than are native born dropouts. Lawful immigrants who are high school dropouts are slightly more likely to use welfare than are native born dropouts.[22] Illegal immigrant dropouts are less likely to use welfare than native born dropouts, in part, because they are ineligible for most programs. However, if amnesty is granted to illegals, it seems reasonable to conclude that their welfare use will be similar to lawful immigrants with similar education.



[20] Steven A. Camarota, "Back Where We Started: An Examination of Trends in Immigrant Welfare Use Since Welfare Reform", Center for Immigration Studies, March 2003. Welfare use in this study is defined as receipt of Temporary Assistance to Needy Families, Food Stamps, Supplemental Security Income or Medicaid.
[21] Ibid.
[22] Ibid.

Illegal Immigration and Poverty

According to the Pew Hispanic Center there are 4.7 million children with illegal immigrant parents currently living in the U.S.[23] Some 37 percent of these children are poor.[24] While children of illegal immigrant parents comprise around 6 percent of all children in the U.S., they are 11.8 percent of all poor children.

The high level of child poverty among illegals in the U.S. is, in part, due to low education levels and low wages. It is also linked to the decline in marriage among Hispanics in the U.S. As noted, some 80 percent of illegal aliens come from Mexico and Latin America.[25] Among Hispanics in the U.S., 45 percent of children are born out-of-wedlock.[26] (See Table 1.) Among foreign born Hispanics the rate is 42.3 percent.[27] By contrast, the out-of-wedlock birth rate among non-Hispanic whites is 23.4 percent.[28] The teen birth rate for Hispanics is higher than the rate for black teens.[29] While the out-of-wedlock birth rate for blacks has remained flat for the last decade, it has continued to rise steadily for Hispanics.[30]

Table 1

Child Poverty and Out-of-Wedlock Childbearing Rates: 2003

	Child Poverty Rate	Percent of Children Born
White Non-Hispanic	9.8%	23.4%
Asian	12.7%	15.0%
Black	34.1%	67.1%
Hispanic	29.7%	45.0%
Children of Illegal Immigrant Parents	37.0%	N/A
Children of Lawful Immigrant Parents	21.0%	N/A

Source: Jeffrey Passel, Unauthorized Migrants: Numbers and Characteristics, Pew Hispanic Center, Washington, D.C., June 14, 2005; Joyce A. Martin, Birth: Final Data for 2003, National Vital Statistics Reports, Volume 54, Number 2, National Center for Health Statistics, U.S. Department of Health and Human Services, September 8, 2005, p. 49; Gordon H. Lester and Jan Tin, "Dynamics of Economic Well Being: Program Participation, 1996 to 1999, Who Gets Assistance" Current Population Reports, p. 70-94, U.S. Census Bureau, Washington, D.C., January 2004.

[23] Passel, *op.cit*. p. 20.
[24] Interview with Jeff Passel
[25] Passel, *op. cit.* p. 4.
[26] Joyce A. Martin, *Births: Final Data for 2003, National Vital Statistics Reports,* Volume 54, Number 2, National Center for Health Statistics, U.S. Department of Health and Human Services, September 8, 2005, p. 49.
[27] Ibid.
[28] Martin, *op.cit.,* p. 49.
[29] Ibid., p. 54, 55.
[30] Center for National Health Statistics, Department of Health and Human Services, *Vital Statistics of the United States, 2001, Volume One, Natality,* table 1-17. http://www.cdc.gov/nchs/datawh/statab/unpubd/natality/natab99.htm Among Hispanics 40.8 percent of births were out of wedlock in 1993 compared to 45 percent in 2003. Among blacks, 68.9 percent of births were out of wedlock in 1993 compared to 68.5 percent in 2003.

In general, children born and raised outside marriage are seven times more likely to live in poverty than are children born and raised by married couples. Children born out-of-wedlock are also more likely to be on welfare, to have lower educational achievement, to have emotional problems, to abuse drugs and alcohol and to become involved in crime.[31]

Poverty is also more common among adult illegal immigrants, who are twice as likely to be poor as are native adults. Some 27 percent of all illegal adults are poor, compared to a 13 percent poverty rate among native adults.[32]

Economic and Social Assimilation of Illegal Immigrant Offspring

One important question is the future economic status of the children and grandchildren of current illegal immigrants, assuming those offspring remain in the U.S. While we obviously do not have data on future economic status, we may obtain a strong indication of future outcomes by examining the educational attainment of offspring of recent Mexican immigrants. Some 57 percent of current illegal immigrants come from Mexico, and about half of Mexicans currently in the U.S. are here illegally.[33]

First generation Mexican immigrants are individuals born in Mexico who have entered the U.S. In the year 2000, some 70 percent of first generation Mexican immigrants (both legal and illegal) lacked a high school degree. Second generation Mexicans may be defined as individuals born in the U.S. who have at least one parent born in Mexico. Second generation Mexican immigrants have greatly improved educational outcomes but still fall well short of the general U.S. population. Some 25 percent of second generation Mexicans in the U.S. fail to complete high school. By contrast, the high school drop out rate among non-Hispanic whites in the general population is 8.6 percent, and among blacks is 17.2 percent. Critically, the educational attainment of third generation Mexicans (those of Mexican ancestry with both parents born in the U.S.) improves little relative to the second generation. Some 21 percent of third generation Mexicans are high school drop outs.[34] Similarly, the rate of college attendance of second generation Mexicans is lower than the rate for black Americans and about two thirds of the level for non-Hispanic whites; moreover, it and does not improve in the third generation.[35]

These data indicate that, for several generations, the offspring of illegal Hispanic immigrants are likely to have lower rates of educational attainment and higher rates of school failure when compared to the general non-Hispanic U.S. population. High rates of

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[31] Patrick Fagan, Robert Rector, Kirk Johnson, America Peterson, *The Positive Effects of Marriage: A book of Charts*, The Heritage Foundation, Washington, DC, April 2002.
[32] Passel, *op. cit.* p. 34.
[33] Passel, *op. cit.*, pp. 4 and 36.
[34] The category of third generation Mexicans includes all individuals of Mexican ancestry who have parents born in the U.S., thus this group would also include the fourth, fifth, and further generations.
[35] All figures are taken from Richard Fry and B. Lindsay Lowell, *op. cit.* All figures in the text refer to individuals aged 20 to 24. The inter-group differences for individuals aged 25 to 44 are very similar to those of individuals aged 20 to 44. The attainments for Mexicans in the U.S. are similar to those of Hispanics in the U.S. in general.

school failure coupled with high rates of out-of-wedlock child-bearing are strong predictors of disproportionate future levels of poverty and welfare dependence.

Immigration and Crime

Historically, immigrants have had lower crime rates than the native born. For example, in 1991, the overall crime and incarceration rate for non-citizens was slightly lower than for citizens. Strikingly, imprisonment for violent crime was half as likely for non-citizens as for citizens.[36]

On the other hand, the crime rate for Hispanics in the U.S. population is high. The age specific incarceration rates in federal and state prisons (prisoners per 100,000 residents in the same age group in the general population) are two to two and a half times higher for Hispanics than for non-Hispanic whites.[37] Relatively little of the higher imprisonment rate of Hispanics seems to be due to immigration violations.[38]

Illegal immigrants are overwhelmingly Hispanic. It is possible that, over time, Hispanic immigrants and their children may assimilate the high crime rates that characterize the low income Hispanic population in the U.S. as a whole.[39] If this were to occur, then policies which would give illegal immigrants permanent residence through amnesty, as well as policies which would permit a continuing influx of hundreds of thousands of illegals each year could increase crime in the long-term.

Taxation and Low Skill Workers

It is often argued that if illegal immigrants were granted amnesty they would make substantial tax contributions to the federal government. The reality is that low skill workers pay little in taxes. The federal income tax is highly progressive; moreover, moderate wage parents receive refundable tax credits that offset much of their Social

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[36] Nation Research Council, *The New Americans: Economic, Demographic and Fiscal Effects of Immigration,* Nation Academy Press, Washington, D.C. 1997, p. 388. Figures refer to males aged 18 to 54.

[37] Paige M. Harrison, and Allen J. Beck, "Prisoners in 2003" *Bureau of Justice Statistics Special Report,* NCJ 205335, Office of Justice Programs, U.S. Department of Justice, Washington, D.C. November 2004, table 12. See also Thomas P. Bonczar, "The Prevalence of Imprisonment in the U.S. Population, 1974-2001", *Bureau of Justice Statistics Special Report,* NCJ197976, August 2003.

[38] The immigration and Naturalization Service deport hundreds of thousands of illegal immigrants each year. Few of these deportations involve imprisonment in federal or state prisons.] In 2000, some 15,000 individuals were in federal prisons due to immigration violations. Most of these were Hispanic; these individuals comprised about 8 percent of the total Hispanic population in federal and state prisons. The most common violation leading to imprisonment was re-entry following prior deportation. Half of those imprisoned for immigration offenses had prior felony convictions. See John Scalia, and Marika F.X. Litras, "Immigration Offenders in the Federal Criminal Justice System, 2000", *Bureau of Justice Statistics Special Report,* NCJ-191745, Office of Justice Programs, U.S. Department of Justice, Washington D.C, August 2002.

[39] If the crime rate for Hispanic non-citizens is actually lower than the rate for non-Hispanics in the general population, this would imply that the relative crime rate for Hispanic citizens was even higher than the three to one ration (of Hispanic to non-Hispanic whites) suggests. It would be higher because low crime Hispanic non-citizens would be included in the denominator used in computing the overall Hispanic crime rate.

Security tax payments. For example, a family of four who have lived in the U.S. lawfully for five years will pay no net Social Security taxes if they earn less than $25,000 per year. If the family makes less than $40,000 per year, it will be unlikely to pay federal income tax. At the same time, many of these families will receive government welfare and medical care and their children will be educated in public schools at an average cost of about $8,000 per year.

The Fiscal Impact of Immigration

One important question is the fiscal impact of immigration (both legal and illegal). Policymakers must ensure that the interaction of welfare and immigration policy does not expand the welfare-dependent population, thereby hindering rather than helping immigrants and potentially imposing large costs on American society. This means that immigrants should be net contributors to government: the taxes they pay should exceed the cost of the benefits they receive.

In calculating the fiscal impact of an individual or family, it is necessary to distinguish between public goods and private goods. Public goods do not require additional spending to accommodate new residents.[40] The clearest examples of government public goods are national defense and medical and scientific research. The entry of millions of immigrants will not diminish the value of these public goods to the general population.

Other government services are private goods; use of these by one person precludes or limits use by another. The most obvious government private goods are direct personal benefits such as welfare, Social Security payments, Medicare, and education. Other government private goods are "congestible" goods.[41] These are services that must be expanded in proportion to the population. Examples of government congestible goods are: police and fire protection, roads and sewers, parks, libraries, and courts. These services must expand as the population expands or there will be a decrease in the quality of service.

An individual makes a positive fiscal contribution when his total taxes paid exceed the direct benefits and congestible goods received by himself and his family.[42]

The Fiscal Impact of Low Skill Immigration

A very important study of the fiscal impact of immigration was the 1997 *New Americans* study by the National Academy of Sciences (NAS).[43] This study found that, measured in a single year, the fiscal impact of foreign born households was negative in the two states studied: New Jersey and California.[44] Measured over the course of a lifetime, the fiscal

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[40] Nation Research Council, *op. cit.*, p. 256.
[41] Ibid.
[42] This is the basic methodology employed by the National Research Council to assess the fiscal gains and losses presented by immigrants. National Research Council, *op. cit.*, chapters 6 and 7.
[43] Ibid.
[44] Ibid., Chapter Six.

impact of first generation immigrants was also slightly negative[45]; however, when the future earnings and taxes that may be paid by the offspring of the immigrant are counted, the long term fiscal impact was found to be is positive. One commonly cited figure from the report is that the net present value (NPV) of the fiscal impact of the average recent immigrant and his descendents is $83,000.[46]

There are five important caveats concerning the NAS longitudinal study and its conclusion that in the long term the fiscal impact of immigration is positive. First, the study applies to all recent immigration, not illegal immigration. Second, the finding that the long-term fiscal impact of immigration is positive applies to the population of immigrants as a whole, not to low skill immigrants. Third, the estimate that the net present fiscal value of the typical immigrant is $83,000 is based on the assumed earnings and tax payments of his descendents projected ***over the next 300 years***.[47] Fourth, the study does not take into account the growth in out of wedlock child-bearing among the foreign born which will increase future welfare costs and limit the upward mobility of future generations. Fifth, the assumed educational attainment of the children, grandchildren, and great grandchildren of immigrants who are high school drop outs or high school graduates seems unreasonably high given the actual attainments of the offspring of recent Mexican and Hispanic immigrants; low skill Hispanics form the bulk of current illegal immigrants in the U.S.[48]

The three hundred year time horizon of the NAS study is highly problematic. Three hundred years ago, the United States did not even exist, and British colonists had barely reached the Appalachian mountains. We cannot reasonably estimate what taxes and benefits will be even thirty years from now, let alone three hundred.

The NAS study assumes that most people's descendents will eventually regress to the social and economic mean and thus may make a positive fiscal contribution, if the time horizon is long enough. Using similar methods it seems likely that out of wedlock childbearing could be found to have a net positive fiscal value as long as assumed future earnings are projected out 500 or 600 years.

Slight variations in the assumptions used by NAS greatly affect the projected outcomes. For example, limiting the time horizon to fifty years and raising the assumed interest rate from 3 percent to 4 percent drops the NPV of the average immigrant from around $80,000 to $8,000.[49] Critically, the NAS projections assumed very large tax increases and benefits cuts would occur in 2016 to prevent the deficit from rising further relative to

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[45] Ibid., p.334, table 7.5

[46] Ibid.

[47] Ibid., p. 342. According to net present value calculations the impact of much later years have much lower value than those of the near future; nonetheless, the extension of the NAS projections to 300 years has a definite affect on their conclusions.

[48] The projected educational attainments of the children, grandchildren, and great grandchildren of immigrants who are high school drop outs or high school graduates are presented on page 357 of the National Academy study. (National Research Council, *op. cit.)* The actual attainments of the descendents of recent Hispanic immigrants are provided in Fry, *op. cit.*

[49] National Research Council, *op. cit.*, table 7.6 on p.337 and table 7.8 on p. 343.

GDP. This assumption makes it far easier for future generations to be scored as fiscal contributors. If the large tax hikes and benefit cuts do not occur then the long-term positive fiscal value of immigration evaporates.[50] Moreover, if future tax hikes and benefit cuts do occur, the exact nature of those changes would likely have a large impact on the findings; this issue is not explored in the NAS study.

Critically, the estimated net fiscal impact of the whole immigrant population has little bearing on the fiscal impact of illegal immigrants who are primarily low skilled. As noted, at least 50 percent of illegal immigrants do not have a high school degree. As the NAS report states "some groups of immigrants bring net fiscal benefits to natives and others impose net fiscal costs… [I]mmigrants with certain characteristics, such as the elderly and those with little education may be quite costly."[51]

The NAS report shows that the long-term fiscal impact of immigrants varies dramatically according to the education level of the immigrant. The fiscal impact of immigrants with some college education is positive. The fiscal impact of immigrants with a high school degree varies according to the time horizon used. The impact of those without a high school degree is negative: benefits received will exceed taxes paid. The net present value of the future fiscal impact of immigrants without a high school degree is negative even when the assumed earnings and taxes of descendents over the next three hundred years are included in the computation.[52]

A final point is that the NAS estimates assume that low skill immigration does not reduce the wage rates of native born low skill workers. If low skill immigration does, in fact, reduce the wages of native born labor this would reduce taxes paid and increase welfare expenditures for that group. The fiscal, social and political implications would be quite large.

The Cost of Amnesty

Federal and state governments currently spend over $583 billion per year on means-tested welfare benefits each year.[53] Illegal aliens are ineligible for most federal welfare, but some assistance is received through programs such as Medicaid; in addition, native born children of illegal immigrant parents are citizens and are eligible for all relevant federal welfare.

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[50] Ibid., table 7.6 on p. 337.
[51] Ibid. pp. 352 and 353.
[52] Ibid., table 7.5, p. 324 and figure 7.10 on p. 332.
[53] Domestic Social Policy Division, Cash and Non-Cash Benefits for Persons with Limited Income: Eligibility Rates, Recipient and Expenditure Data, FY2002, FY2004, Congressional Research Service, March 27, 2006. The total cost of federal and state means-tested welfare benefits spread across all U.S. household is about $5,800 per household. In practice welfare benefits are largely limited to households in the bottom one half of the income distribution and are rarely received by households above the median income level of $44,000 per year. If all benefits were spread equally among the lowest income half of households, the value would be about $12,000 per household.

Granting amnesty to illegal aliens would have two opposing fiscal effects. On the one hand, it may raise wages and taxes paid by broadening the labor market individuals compete in; it would also increase tax compliance and tax receipts as more work would be performed "on the books".[54] On the other hand, amnesty would greatly increase receipt of welfare and social services. Since illegal immigrant households are low skill and low wage, the cost to government could be considerable.

A very thorough study of the federal fiscal impacts of amnesty has been performed by the Center for Immigration Studies (CIS).[55] This study found that illegal immigrant households have low education levels, low wages and currently pay little in taxes. Illegal households also receive a lower level of federal government benefits. The study found that, on average, illegal immigrant families received more in federal benefits than they paid in taxes.[56]

Granting amnesty would render illegals eligible for federal benefit programs. The CIS study estimated the extra taxes would be paid as well as government costs that would occur as a result of amnesty by assuming that welfare utilization as well as tax payment among current illegal immigrants would rise to equal the level among lawful non-citizens of similar national, educational, and demographic backgrounds. If all illegal immigrants were granted amnesty, federal tax payments would increase by some $3,000 per household, but federal benefits and social services would increase $8,000. Total federal welfare benefits would reach around $9,500 per household or $35 billion per year total. The study estimates that the net cost to the federal government of granting amnesty to some 3.8 million illegal alien households would be around $5,000 per household for a total federal fiscal loss of $19 billion per year.[57]

Amnesty and the Comprehensive Immigration Reform Act (CIRA)

The Senate immigration bill would offer amnesty and citizenship to current illegal aliens. This plan would offer amnesty and citizenship to around 85 percent of the nation's current 11.9 million illegal immigrants.

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[54] Steven A. Camarota, *The High Cost of Cheap Labor: Illegal Immigration and the Federal Budget,* Center for Immigration Studies, Washington D.C., August 2004. This study estimates that 45 percent of illegal immigrant wages are "off the books".

[55] Ibid. The estimated number and characteristics of the illegal population in this study are very similar to the estimates in most other research. An important element of this study is that, like the National Research Council study, it adjusts for under-reporting of welfare benefits in the Census Bureau's Current Population Survey. The cost of welfare benefits is adjusted to equal actual government expenditures. The study allocates government private goods and public goods in a manner very similar to the National Academy of Sciences study.

[56] Thus the cost of amnesty is mitigated, somewhat, by the fact that illegals already receive some welfare and social services. This fact, however, only underscores the overall fiscal cost of illegal immigration to society.

[57] The average cost of federal means-tested welfare spending amounts to around $4,000 per household if spread evenly among all U.S. households (including upper and middle income households that, in fact, receive little welfare). The Camarota 2004 study assumes that, after amnesty, illegal households would on average receive some $9,400 in federal welfare spending, or about 1.3 times more than the artificial average for all households. This seems reasonable given the characteristics of the illegal population.

Under the plan, illegal aliens who had been in the U.S. five years or more (60 percent of total illegals) would be granted immediate amnesty. Illegal immigrants who had been in the country between two and five years (25 percent of the total) would travel to one of 16 "ports of entry" where they would receive lawful work permits; these permits would bestow permanent residence and allow the bearers to become citizens. Thus the plan overall is likely to grant citizenship to 85 percent of the current illegal alien population or some 9 to 10 million individuals.

As noted, illegal aliens in the U.S. have very low education levels: at least half lack a high school education, a third have less than a ninth grade education. Illegal immigrants earn low wages similar to the wages of other low skill workers in the economy. This means they are prone to poverty and welfare dependence.

Illegal aliens are currently ineligible for most federal welfare benefits. Granting citizenship would provide eligibility to welfare programs such as the Earned Income Credit, Food Stamps, Medicaid, Temporary Assistance to Needy Families, and many others. This would greatly increase welfare costs. The added welfare costs can be estimated by assessing welfare utilization among current illegal immigrants compared to welfare utilization among lawful immigrants of similar national and educational backgrounds. This comparison shows that granting citizenship to 85 percent of current illegal immigrants would increase net federal fiscal costs by some $16 billion per year.[58]

It is important to note that these costs would not occur immediately. The Comprehensive Immigration Reform Act (CIRA) plan places a prospective six year waiting period prior to granting legal permanent residence to illegal immigrants. Individuals would wait another five years after receiving permanent residence before becoming citizens. Thus much of the cost of the plan might be delayed; however, once millions of individuals are put on the path to citizenship there would be enormous (and probably irresistible) political pressure to grant them the same benefits that are available to the general population quickly, rather than enforce a long delay.

In addition, the cost estimates presented above are based on a static analysis which assumes that amnesty will not alter behavior. In reality, illegal immigrants are likely to have significantly more children once they are permanently settled in the U.S. These children will increase welfare costs and child poverty even further.

Family Chain Migration

The impact and cost of the Comprehensive Immigration Reform Act (CIRA) (S.2611) would extend well beyond the ten million or so individuals initially granted amnesty. When an individual is granted amnesty, he is given the unrestricted right to bring his spouse and minor children into the country. Once here, the spouses and children would receive government services and swell government costs, and in turn have the right to become citizens. Thus the total number of foreign born persons who would be granted

[58] Calculation based on Steven A. Camarota, 2004, *op. cit.*

citizenship ultimately under CIRA would be far more than 10 million, and government costs would swell above the $16 billion figure given above.

But the fiscal problem gets worse; when an illegal immigrant has obtained citizenship through the amnesty process, he or she would be given the automatic right to bring his or her parents in the U.S. as permanent lawful residents. (Currently one tenth of the annual flow of legal immigrants to the U.S. are parents of recent immigrants who have naturalized.) If ten million current illegal immigrants were granted amnesty and citizenship under the Comprehensive Immigration Reform Act (CIRA) (S.2611), as many as 20 million foreign born parents would be given the right to immigrate to the U.S. Once in the U.S., the immigrant parents would receive social services and government funded medical care, much of it paid for through the Medicaid disproportionate share program.

After five years in the country most of the parents will be fully eligible for Medicaid. Medicaid payments for the elderly cost around $11,000 per person per year. If, as a result of CIRA, only three million parents were brought into the country and enrolled in Medicaid, the annual cost would be around $33 billion. Obviously, there would be substantial time lags before these costs began, but the long-term potential of amnesty to raise government spending is quite real.

How CBO Dramatically Underestimates the Welfare Costs of CIRA

Advocates for the Senate immigration bill cite a Congressional Budget Office report that shows that the means-tested welfare costs generated by the bill would be quite low. Means-tested programs provide government benefit only to lower income persons. The largest means-tested programs are Medicaid, the Earned Income Tax Credit, food stamps, Temporary Assistance to Need Families (TANF), and public housing. According to the Congressional Research Service, $583 billion was spent on means-tested aid in 2004. Of this $427 billion was from federal funds and $156 billion in state funds.[59]

In 2004, there were 290 million persons in the U.S. Dividing total means-tested outlays of $583 billion by the whole U.S. population yields an average annual per capita cost of means-tested aid of $2,010. Federal means-tested aid amounts to $1,472 per capita. Obviously these averages are artificial because most persons do not receive means-tested aid; however, they do provide a reasonable bench mark for estimating the welfare costs associated with amnesty.

Persons with less education are substantially more likely to receive means-tested aid. For example, per capita value of aid received in families headed by persons without a high school degree is $3,859. Roughly half of the illegal immigrants who would receive amnesty are high school dropouts.

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[59] Domestic Social Policy Division, Cash and Non-Cash Benefits for Persons with Limited Income: Eligibility Rates, Recipient and Expenditure Data, FY2002, FY2004, Congressional Research Service, March 27, 2006

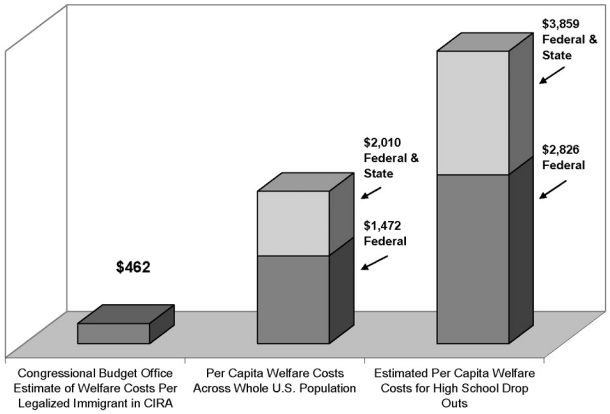
The Congressional Budget Office analysis assumed that after ten years some 18 million immigrants would be granted legal status due to the bill. The total means-tested welfare costs generated by the bill would be $8.7 billion in the tenth year. This yields annual means-tested welfare costs of $462 per immigrant under the bill.

Thus according to CBO, the means-tested welfare costs per legalized immigrant would be dramatically below average per capita welfare costs in the U.S. This is extremely implausible given the fact that the legalized immigrants under the bill would have below average education levels, and thus would almost certainly have higher rates of welfare receipt.

In part, the CBO estimates are low because they are limited to the first ten years after the passage of S.2611. For the first eleven years after the bill's enactment, immigrants receiving amnesty would not become fully eligible for welfare, thus the full welfare costs are hidden by the bill's limited time horizon. In addition, the CBO methodology appears to undercount welfare expenditures in general; many programs are omitted from the analysis and the value of benefits in other programs seems to be artificially low. Finally, although the details of the analysis have not been revealed, the estimates of future welfare use do not seem to accurately reflect the low educational status of potential amnesty recipients.

Chart 5

Means-Tested Welfare: Annual Costs Per Capita



Granting Amnesty is Likely to Further Increase Illegal Immigration

It seems like history is about to repeat itself. The Immigration Reform and Control Act (IRCA) of 1986 granted amnesty to 2.7 million illegal aliens. The primary purpose of the

act was to decrease the number of illegal immigrants by limiting their inflow and by legalizing the status of illegals already here.[60] In fact, the act did nothing to stem the tide of illegal entry. The number of illegal aliens entering the country increased five fold from around 140,000 per year in the 1980's to 700,000 per year today.

Illegal entries increased dramatically shortly after IRCA went into effect. It seems plausible that the prospect of future amnesty and citizenship served as a magnet to draw even more illegals into the country. After all, if the nation granted amnesty once why wouldn't it do so again?

The Comprehensive Immigration Reform Act (CIRA) legislation would repeat the IRCA on a much larger scale. This time 9 to 10 million illegal immigrants will be granted amnesty. Again there will be a promise to reduce future illegal entries, but in reality the bill will do little to reduce future entries. The granting of amnesty to 10 million illegal immigrants is likely to serve as a magnet pulling even greater numbers of aliens into the country in the future.

If enacted, the legislation would significantly increase welfare spending, and would spur even further increases in the future number of low skill migrants. This in turn would increase poverty in America, enlarge the welfare state and increase social and political tensions.

A Flood of Legal Immigrants

Although much of the debate about the Senate immigration bill relates to its amnesty provisions, even more significant are the huge increases in legal immigration hidden in the bill. By a ratio of about four to one, U.S. voters would prefer less immigration, not more. But the Senate bill ignores the public's wishes. The original Senate immigration bill would have allowed as many as 100 million people to legally immigrate to the United States over the next 20 years. Facing criticism, the Senate has amended the bill - which now, if enacted, would allow "only" 61 million new immigrants. That still more than doubles the current legal immigration rate, from 1 million a year now to 2.5 million per year.

Current law would let 19 million legal immigrants enter the United States over the next 20 years; the Senate immigration bill would add an extra 42 million.

Under the Senate bill, immigrants could enter or attain lawful status within the country through nine channels. In each channel, immigrants would gain permanent residence and the right to become citizens:

Current law visas: About 950,000 persons now get permanent-residence visas every year under current law. Over 20 years, the inflow of immigrants through this channel would be 19 million.

[60] National Research Council, *op. cit.* p. 29.

Amnesty: The bill would grant amnesty to roughly 10 million illegal immigrants now living in the U.S.

Spouses/children of illegal immigrants given amnesty: Illegals who got amnesty could bring their spouses and children into the country as legal permanent residents with the opportunity for full citizenship. The resulting number of spouses and children who'd enter the United States: at least 5 million.

"Family chain" migration: Today's law limits the number of kinship visas for secondary family members, such as adult brothers and sisters. The Senate bill would raise the cap on such secondary family immigration from around 230,000 to 480,000 per year, bringing in 5 million new immigrants over 20 years.

Temporary guest workers for life: The amended Senate bill would let 200,000 people to enter through the guest-worker program each year. Over 20 years, that works out to a total inflow of 4 million. The "guest workers" aren't temporary at all, but could stay in the U.S. permanently and become citizens.

Spouses/children of guest workers: Guest workers could bring their spouses and children to the United States as permanent residents, adding another 4.8 million entrants over 20 years.

Worker visas for skilled specialty occupations: The Senate bill would initially double the number of specialty workers who could enter the U.S., and would then allow the number to increase by 20 percent in each subsequent year. These workers would be permitted to request permanent residence, and, in most cases, would be able to stay in the U.S. for life. More than five and a half million legal immigrant workers could enter under these provisions over the next twenty years.[61]

Spouses/children of specialty workers: Specialty workers could bring their spouses and children to the United States as permanent residents, adding another 3 million entrants over 20 years.

Refugee Women: Under the bill, an unlimited number of women who fear they may undergo "harm" as a result of their sex may enter the U.S. as refugees and become citizens. The numbers who would enter under this open-ended provision is uncertain, perhaps, one million over 20 years.

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[61] S.2611 fails to provide sufficient green cards to grant legal permanent residence to all the future H1B skilled workers, but each such worker would have the right to petition for legal permanent residence(LPR). Once this petition is made the worker is effectively permitted to remain in the U.S. permanently. If S.2611 were enacted in its current form, the net effect would be a very large backlog of skilled workers in future years who had petitioned for LPR but were unable to obtain green cards. The number of green cards would undoubtedly be increased to reduce the backlog.

Parents of naturalized citizens: Senate bill would greatly increase the number of naturalized citizens, each would have an unlimited right to bring their parents into the country as legal permanent residents. The resulting number of parents who'd enter as permanent legal residents: around 3.5 million over 20 years.

If the Senate bill became law, foreign born immigrants would rise to around 18 percent of the total U.S. population, an immigration level far higher than at any previous time in U.S. history. Many in this looming tidal wave of immigration would be low skilled individuals who will impose great social and economic costs on the nation.

In sum, the Senate bill would bring profound change, transforming the United States socially, economically and politically. Within two decades, the character of our country would differ dramatically from what exists today.

Policy Implications

Immigration to the U.S. is a privilege, not a right. Immigrants should be net contributors to the government and society and should not be a fiscal burden to the native born. While highly educated immigrants, on average, make a positive fiscal contribution, the fiscal impact of low skill immigrants is negative.

Over the last 20 years, around 10 million individuals without a high school degree have entered the United States. Many of these also have a high probability of out-of-wedlock childbearing. Unless U.S. immigration policy is changed, these trends are likely to continue. Granting amnesty to current illegal immigrants exacerbates the problem.

Sound immigration policy should be based on two principles. The first is respect for the rule of law. American citizens should determine who is allowed to enter the country, and who is allowed to become a citizen and vote in our elections. Lax border enforcement and non-enforcement of laws against employing illegal immigrants have encouraged over 10 million persons to enter the country unlawfully. Past and pending amnesties reward this behavior. Under the current system decisions about who will live in the U.S. and who will become a citizen tend to be made unilaterally by foreigners. If the Comprehensive Immigration Reform Act (CIRA) (S.2611) becomes law, it will undermine the rule of law and put the U.S. on the path of uncontrolled immigration punctuated by recurring amnesties.

Second, recognizing the fact that low skill immigrants are likely to be a fiscal burden on society, government should increase the average skill and education level of incoming immigrants. Currently, the average skill level of immigrants is significantly reduced by two factors: largely uncontrolled border crossings, and the high priority on kinship ties in the issuance of permanent residence visas. Currently only 7.6 percent of persons granted visas for permanent entry into the U.S. are selected on the basis of the education and skill level.[62] To the increase the skill level of future immigrants, the U.S. should stop the

[62] Barry R. Chiswick, "Written Testimony" at the hearing on "Immigration: The Economic Impact," Committee on the Judiciary, United States Senate, April 25, 2006, p. 8.

inflow of future illegal immigrants, reduce the number of family reunification visas, and increase the number of employment and skill based visas.

Five specific policies follow from these principles.

Future immigration policy should seek to reduce the number of low skill entrants who are likely to impose large costs on American society and to increase the number of high skill entrants who are likely to make a strong positive fiscal contribution. To accomplish this Congress should adopt the following policies.

1. The future influx of illegal immigrants should be stopped by rigorous border security programs as well as strong programs to prevent employers from employing illegal immigrants.

2. Amnesty and citizenship should not be given to current illegal aliens. Amnesty has negative fiscal consequences and is manifestly unfair to those who have waited for years seeking to enter the country lawfully. Amnesty would also serve as a magnet drawing even more future illegal immigration.

3. Any guest worker program should grant temporary, not permanent, residence and should not be a pathway to citizenship. A guest worker program should not disproportionately swell the future ranks of low skill workers.

4. Children born to parents who are illegal or to future guest workers should not be given citizenship status. Granting citizenship automatically confers welfare eligibility and makes it unlikely the parent will ever leave the U.S.[63]

5. The legal immigration system grants lawful permanent residence to some 950,000 persons each year. In the future this system should be altered to substantially increase the proportion of new entrants with higher levels of education. Under current law, foreign born parents, and brothers and sisters of naturalized citizens are given preference for entry visas. The current visa allotments for family members (other than spouses and minor children) should be eliminated, and quotas for employment and skill based entry increased proportionately.

[63] John C. Eastman, "From Feudalism to Consent: Rethinking Birthright Citizenship", *Legal Memorandum, No. 18,* The Heritage Foundation, Washington, D.C., March 30, 2006.

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Chairman SENSENBRENNER. Thank you, Mr. Rector.

Mr. Burns?

STATEMENT OF KEVIN J. BURNS, CHIEF FINANCIAL OFFICER, THE UNIVERSITY MEDICAL CENTER CORPORATION OF TUCSON, AZ

Mr. BURNS. Mr. Chairman, Members of the Committee, on behalf of the University of Arizona Medical Center thank you for the opportunity to testify before you today.

I previously provided my written comments and planned to read only excerpts of those comments today just in the interest of time. I did want to tell you a little bit about the University Medical Center.

We're a 355-bed academic medical center located in Tucson, Arizona and we support the teaching mission of the University of Arizona College of Medicine. Since July 2003. UMC has been southern Arizona's sole level one trauma center. Prior to that there were two, and Tucson provided that service.

We're located in the heart of Tucson. We're about an hour's drive from our country's border with Mexico.

UMC is a good hospital. I won't read all our accolades, but we're a magnet hospital, we were the first in Arizona to receive that designation. And we're one of only 200 magnet hospitals in the entire country.

We also have among the lowest nurse to patient ratios in the country. We're committed to ensuring that our patients receive solid care, so we implemented a self imposed ratio of only one nurse to four patients several years ago and we maintain that commitment today.

We're also committed to finding ways to provide access to those that are in need. And over 2 years ago we adopted an innovative policy for the under and uninsured. There are others that are now trying to catch up and copy what we've done. But under our program people who don't have insurance or who don't have adequate insurance will never pay more than Federal program rates at our hospital and, of course, many pay much less.

During fiscal 2006 and 2005, the cost of care provided by UMC to the uninsured, uncompensated care to the poor and foreign nationals totaled $30 million and $27 million, respectively.

Since becoming the sole level one trauma center in southern Arizona in 2003 we experienced a 54 percent increase in our trauma volumes. We find that the majority of foreign nationals treated at UMC arrive as trauma patients or through our emergency department.

In fiscal 2006 it cost UMC almost $5 million to care for foreign nationals, and in the prior year in 2005 it was $4 million.

To put it in perspective, for UMC this is very significant. Five million dollars would pay the full payroll for all 3,000 of our employees for one pay period. We're in the middle of our expansion of our emergency department, which is absolutely packed right now. Five million dollars a year would pay for our emergency department expansion in about 5 years.

And we have a shortage of nurses. Five million dollars would allow us to hire and pay for the compensation and training for over a 100 nurses.

We have a number of examples we could provide you of the burden that treating foreign nationals puts on our hospital and our trauma department in particular. And one reason why it's unique is because we tend to have large car accidents or automobile accidents where there are a number of foreign nationals in the cars and they end up going into our trauma center all at once. One recent case in 2006 involved a truck that was carrying 20 foreign nationals. It crashed. Thirteen of those patients were sent to UMC. Some went to the Phoenix trauma centers.

UMC has four trauma bays. When you have 13 patients show up it not only puts immense stress on our one trauma center for the marketplace, but it does impact the region's entire emergency response system.

Now UMC hasn't sat idly by nor have other health care providers in our community. We've undertaken a number of initiatives on our own to try to help this issue. And I'm only going to read one example that we're very proud of, and that is the Neovida program. In 1998 we were receiving at least 15 patients—15 babies a year from Agua Prieta and Sonora, Mexico. The cost of one such infant to our hospital will typically cost at least $75,000 for us to care for that patient.

The University Medical Center partnered with Tucson Medical Center, one of our colleague hospitals in Tucson, and we worked with the Secretary of Health in Sonora and we created a small neonatal intensive care unit in Agua Prieta at their hospital there.

In the first year after implementing that program, infant mortality dropped from 15 percent to 2 percent. And the number of transports for infants from that region has gone about 15 per year to absolutely zero.

I'm almost out of time. I just want to cut to the chase.

Right now the Immigration and Border Security policy require corrective action. I think that's why we're all here. Health care should be the integral part of the reform efforts. And presently I've looked at both the drafts, I haven't studied them, I'm not an expert on the two proposals, but health care is barely mentioned and it's only mentioned in the Senate bill. Health care needs to be covered so we cannot bankrupt the health care system or increase that burden.

So my parting comment is Congress should not only enact legislation that protects our citizens especially in this time of war, but we also must include measures that reduce the financial burden of existing and proposed policy on our health care delivery system.

Thank you.

[The prepared statement of Mr. Burns follows:]

PREPARED STATEMENT OF KEVIN J. BURNS

INTRODUCTION

We believe that currently proposed legislation may worsen the financial burden on our Nation's healthcare system and tax payers as the proposed legislation may result in a greater number of immigrants entering the United States with no provision for covering their healthcare costs.

ABOUT UNIVERSITY MEDICAL CENTER CORPORATION (UMC)

UMC is a 355-bed academic medical center located in Tucson, Arizona, supporting the teaching mission of the University of Arizona College of Medicine. Since July 2003, UMC has been southern Arizona's sole level one trauma center, and in addition provides a comprehensive array of critical care services including transplantation, oncology, pediatric and cardiovascular services. UMC is located in the heart of Tucson, roughly an hour's drive from our country's border with Mexico. UMC is a Magnet hospital, the first to achieve this designation in Arizona and one of only 206 in the entire United States. In addition, UMC operates at among the lowest nurse to patient ratios in the country, maintaining a self-imposed ratio of one nurse to every four patients. UMC was included in the Solucient 2005 Top 100 hospitals, one of only 15 major teaching hospitals in the nation to make this list. And, U.S. News and World Report recently ranked UMC among the top 50 hospitals in the nation.

UMC is committed to providing access to care for those that may not have insurance or in instances where their insurance is inadequate. Over two years ago, UMC adopted a plan for the uninsured and underinsured. Under this program, people lacking insurance, including foreign nationals, are asked to pay no more than the rates paid to UMC by Federal programs and generally pay us much less. During fiscal year 2006 and 2005, the cost of care provided by UMC to the uninsured, uncompensated care to the poor and foreign nationals, totaled approximately $30 million and $27 million, respectively.

THE IMPACT OF FOREIGN NATIONALS ON UMC

Consistent with UMC's philosophy and policies and as governed by federal law, we provide care to any person that presents to our hospital with an emergency medical condition without regard to their citizenship or their ability to pay.

Since becoming the sole level one trauma center in Southern Arizona in 2003, we have experienced a 54% increase in our trauma volumes. We find that the majority of foreign nationals treated at UMC arrive as trauma patients or through our emergency department. Many are seriously injured or ill and require extended inpatient stays, sometimes lasting several days or months. These patients put added strain on UMC given our limited physical space, compounded by the shortage of nurses and the impact non-paying patients have on our ability to succeed as an organization. In fiscal 2006, it cost UMC almost $5 million to care for foreign nationals. In fiscal 2005, this amount was almost $4 million. The trend continues to be one of rising healthcare costs as we see an increase in the number of foreign national patients with higher acuity. To put the financial impact of caring for foreign nationals in perspective: $5 million would cover the salaries of our 3,000 employees for one pay period; $5 million would repay the cost of the much needed expansion of our ED in 5 years; or $5 million could be used to pay the salaries of more than 100 new nurses.

The care we provide foreign nationals is the same as we provide to any patient. However, in addition to the financial burden, there are a myriad of other activities that consume our resources. These activities range from tracking down family members in foreign countries, extensive case management, and arranging for medical care for the patient in their home country to enhance their chances for a complete recovery.

Following is an example of a case that illustrates the extensive resources required to care for a foreign national patient.

> In 2006, a pick-up truck having just crossed the U.S.-Mexican border crashed ejecting all of its passengers. The truck was carrying 20 foreign nationals crammed into the open bed of the truck. Thirteen of the crash victims were transported to UMC: 5 patients were triaged, treated and released; 1 patient died in surgery and 7 patients were admitted for further care. UMC has four trauma bays. When this type of multiple trauma occurs, it places severe stress on UMC's trauma resources as well as the region's emergency response system. To illustrate what happens to a patient in these circumstances, the following describes the actions taken to care for one victim of this serious accident, a 32-year-old male who suffered a major head injury (intracranial hemorrhages and orbital fractures). As a result of his injuries this patient was ventilator dependent and required 14 days in UMC's intensive care unit. Once the patient was medically stable, he was transferred by air ambulance to Oaxaca, Mexico for continuing care. UMC was required to pay the cost of the specialized air transportation to return the patient home, which totaled $19,000. After 14 days in our hospital the cost of caring for this patient was over $70,000. We received

no reimbursement to help defray the cost of this patient's care. This is but one example of the hundreds of foreign nationals UMC must treat each year.

UMC, and other providers in our community realized many years ago that there were measures we could take to help reduce the burden of foreign nationals on our healthcare system. Some examples of these programs include UMC's International Outreach Program. In 1986, UMC hired Barbara Swanson Felix, International Outreach Coordinator, to track all foreign national admissions and identify patients that can be transferred back to their home country. As part of this program, the Coordinator developed a comprehensive network with the Mexican healthcare system. The Coordinator works with the patient care team at UMC and an accepting physician/facility to transfer the patient back to Mexico.

In 1993, this program was augmented with an educational component with the intent of raising the quality of care provided in Mexico and retaining more Mexican patients at the local level. UMC hired a physician Liaison to Mexico, Dr. Adolfo Felix whose role made it possible for UMC and the University of Arizona College of Medicine to implement a formalized Continuing Medical Education program in Mexico. To date, thousands of physicians have been trained in Pediatric Advanced Life Support, Advanced Cardiac Life Support and Cancer Management. Simultaneously, the Physicians' Resource Service, dedicated to physician-to-physician communication and consultation by telephone, expanded its toll-free number to serve the entire Mexican region.

UMC has also invested time and money on bi-national collaborative efforts. An example of this is the Neovida program. In 1998, at least 15 babies a year were arriving in Tucson from Agua Prieta, Mexico, and surrounding areas. The cost for one infant admitted to UMC's Neonatal Intensive Care Unit (NICU) is generally greater than $75,000. UMC and Tucson Medical Center (TMC) partnered with the Secretaria de Salud in Sonora to create Neovida in a small Neonatal Intensive Care Unit (NICU) in the public Hospital Integral in Agua Prieta, Sonora Mexico. This program allows these babies to receive the care they need in Mexico. At the local level, after implementing this program, infant mortality dropped from 17% to 2% in the first year and the number of infant transfers to Tucson declined from 15 to none. The two Tucson hospitals continue to fund the Neovida unit at a cost of approximately $25,000 each annually, which is more than offset by the savings from not having to move these patients to Tucson.

Another example of UMC's bi-national collaborative efforts is the inauguration of the Nogales Trauma and Stabilization Unit which came to fruition because of the hard work and dedication of many organizations and individuals such as the Arizona Department of Health Services, Secretaria de Salud in Sonora, TMC, and Holy Cross Hospital of Nogales, Arizona and others. With support from Congressman Jim Kolbe, a grant for $365,000 was secured from the U. S. Agency for International Development. The results of this effort has been a marked reduction in the number of patients presenting at UMC from Sonora, Mexico.

WHAT HAPPENS NEXT?

The burden of providing healthcare to foreign nationals falls squarely on the shoulders of the nation's healthcare providers (hospitals, physicians, ambulance companies, etc). Hospitals operate in a market space that is highly regulated and where over one-half of the funding comes from government programs that generally do not cover costs nor keep pace with healthcare inflation. We have a growing and graying population, especially in the Southwest. Concurrent with this trend, the demand for hospital inpatient and outpatient facilities is growing, as is the cost of such facilities. And, at the same time we continue to have a shortage of nurses and physicians.

Clearly hospitals must adapt to be successful in this market, not dissimilar to companies in any other industry. Unlike other industries however, we are required to accept government reimbursement that generally does not cover our costs and to care for patients requiring emergency care without regard to their citizenship or ability to pay.

As long as our nation's policies on immigration and border security remain inadequate, America's hospitals will bear the vast majority of the burden of caring for foreign nationals. To offset these costs, hospitals negotiate higher rates with the Nation's managed care plans and large employer groups, effectively spreading the burden of the costs we incur to working Americans. This approach is becoming increasingly difficult to sustain as health plans and employers become more aggressive in implementing measures to hold down their healthcare costs.

We recognize that there are a large number of challenges that must be addressed surrounding our Nation's immigration policy, and that the impact of the present en-

vironment on healthcare providers is but one element. From a broad perspective, in the interest of national security, we certainly need to secure our borders and properly control entry into the United States. We also need a reformed immigration strategy that reflects the world we live in today and that can be adapted relatively easily as times and circumstances change. We strongly believe that our representatives in Congress need to move quickly and comprehensively to remedy the present circumstances.

We are not here today, though, to address the overall issues related to immigration reform and border security, but rather to offer some possible solutions to the impact on healthcare providers.

Many of the individuals we have been discussing today, entered the United States legally. Some have retained legal status, many have not, but remain in the U.S. Others have entered the United States illegally, entering the country with the help of Coyotes, or by other means. We refer to these individuals collectively as foreign nationals. At UMC, we typically do not know and are not equipped to determine, an individual's immigration status. We view this task as more suited to members of law enforcement and not our healthcare professionals.

In today's environment, our immigration policies do not adequately address the impact of immigration on healthcare. It has long been our experience that foreign nationals have no health insurance coverage and only under rare circumstances are they eligible for any healthcare coverage under federal or state programs, such as Medicaid. Further, upon review of currently proposed legislation regarding immigration, it does not appear that the provision of healthcare has been considered, and clearly it needs to be.

We would be remiss if we did not mention that just recently through Section 1011 of the Medicare Modernization Act, Congress has provided $1 billion, over four years, to help defray the cost of emergency services to foreign nationals. We are appreciative of this assistance, and wish to extend our gratitude to Arizona Senator Jon Kyl for his strong support of this measure. Providing for emergency care, is only a small part of the equation, however, and a more comprehensive mechanism is needed to alleviate the present circumstances which is loading a substantial burden on our Nation's healthcare providers.

One possible solution is to provide financial support for healthcare provided to foreign nationals through the state-sponsored Medicaid programs, adjusting the eligibility requirements to facilitate coverage of those in need.

Another possible solution would require the companies hiring foreign nationals to provide reasonable healthcare coverage for those individuals in their employ.

There are also measures that we believe can be employed in the near term and they include:

- The U.S. Immigration and Customs Enforcement Agency or (ICE or the Border Patrol) should be required to assume financial responsibility for those illegal aliens they request care for. Presently, ICE avoids financial responsibility by not taking technical custody of persons they capture.
- Ensure that agencies responsible for our ports of entry are advised of the existence of border health facilities in Mexico and refer those individuals presenting at border crossing locations with medical issues to health facilities in Mexico versus the United States. In many cases, the Mexican facilities are closer and equipped to provide necessary care. UMC agrees to participate in efforts to support this process by facilitating the education of representatives of border agencies in the Tucson sector.

SUMMARY

Our immigration and border security policies require corrective action now. Although recent measures to enhance security appear to be reducing the number of illegal border crossers, reform of our overall policies is essential. Healthcare should be an integral part of any reform efforts. The proposed legislation does not appear to make any provisions in this regard, and we believe that a likely result of the proposed legislation would be an increase in foreign nationals in our country, and thus, an increase in the uninsured. Congress should not only enact legislation that protects our citizens, especially in this time of conflict, but also must include measures that reduces the financial burden of existing and proposed policies on our healthcare delivery system.

Chairman SENSENBRENNER. Thank you.

Professor Cornelius?

STATEMENT OF WAYNE CORNELIUS,
UNIVERSITY OF CALIFORNIA SAN DIEGO

Mr. CORNELIUS. Thank you, Mr. Chairman. I appreciate this opportunity to share with the Committee some findings from my most recent research which seeks to understand how unauthorized Mexican migration to the United States has been effected by the border enforcement buildup since 1993. My evidence comes mostly from the migrants themselves, over 1300 of whom were interviewed by my research team during the last 18 months.

Our findings are consistent with earlier research showing that tightened border enforcement has not stopped, nor even discouraged unauthorized migrants from entering the United States. The big picture is as follows:

When we embarked on the current border strengthening project, the Border Patrol was making slightly less than 1 million apprehensions a year. Thirteen years later the Border Patrol is making over 1 million apprehension each year. The trends in apprehensions and spending on border enforcement intersected in fiscal year 2002. Since then border enforcement spending has outpaced apprehensions.

During the period of tighter border enforcement the population of undocumented immigrants living in the United States has more than doubled in size. Migrants and the people smugglers who assist them have detoured around the heavily fortified segments of the border.

Now that the central Arizona border has been reenforced, illegal entries have been shifting westward toward San Diego where apprehensions are up nearly 20 percent this year and eastward toward El Paso.

Our interviews with undocumented migrants do show that a higher percentage of them are being apprehended now compared with the 1980's. But even so, only about one-third are being apprehended. And even if migrants are caught, they keep trying until they succeed. Our interviews show that between 92 and 97 percent of them eventually succeed, usually on the first or second try.

We found that three-quarters of would-be migrants are knowledgeable about U.S. border enforcement operations. About two-thirds of them believe that it is now much more difficult to cross the border illegally today. But such knowledge has no effect on the propensity to migrate.

Eight out of ten also believe that it is much more dangerous to cross the border illegally today. Again, no effect on migration behavior.

To evade apprehension by the Border Patrol and reduce the risks posed by natural hazards, migrants have turned increasingly to people smugglers which enables the smugglers to charge more for their services. Our research in rural Mexico shows that more than nine out of ten unauthorized migrants now hire smugglers to get them across the borders. The fees that smugglers can charge have doubled or tripled since 1993.

By forcing migrants to attempt entry in extremely hazardous areas, the current border enforcement strategy has contributed directly to a nine fold increase in annual migrant fatalities since

1993. Altogether more than 3700 migrants have died trying to cross the southwestern border.

With clandestine border crossing an increasingly expensive and risky business, tighter border enforcement has encouraged unauthorized migrants to stay in the U.S. for longer periods and settle permanently in much larger numbers, thereby increasing outlays for health care and education. In other words, we have succeeded in bottling up within the United States millions of Mexicans who would otherwise have continued to come and go across the border as their parents and grandparents had done.

Additional investment of taxpayer dollars in southwestern border enforcement is likely only to produce more of the same unintended consequences, not to construct an effective deterrent to illegal migration.

The Border Patrol has reported a 45 percent drop in apprehensions in the last 2 months attributing this to the President's deployment of National Guard troops. But apprehensions have fallen only 3 percent for the whole fiscal year to date and there's no hard evidence to support linking the recent decline in apprehensions to the presence of National Guardsmen on the border.

It could be argued that today's partial fortification of the border fails because of its incompleteness. But complete militarism of the U.S. land border—could I have an additional minute, please.

Chairman SENSENBRENNER. Without objection.

Mr. CORNELIUS.—would inevitably push people smuggling operations into the Gulf of Mexico and up the Pacific coast as well as to the U.S. Canadian border. Is there a better way? I have three main recommendations.

First, we should legalize as many as possible of undocumented immigrants already here to reduce their vulnerability to exploitation and increase their contributions to tax revenues.

We should need—secondly, we need to reduce the necessity for migrants to come here illegally. And that means the temporary worker option for as many as possible of perspective migrants who do not wish to remain here permanently and increasing the number of employment-based permanent resident visas.

And third, we need to increase the incentives for migrants to remain in Mexico to create alternative to migration——

Chairman SENSENBRENNER. The time has expired.

Mr. CORNELIUS. Thank you very much.

[The prepared statement of Mr. Cornelius follows:]

PREPARED STATEMENT OF WAYNE A. CORNELIUS

SUMMARY

How have heightened border controls affected the decision-making of unauthorized Mexican migrants to the United States? My research findings, based on highly detailed, face-to-face interviews with 1,327 migrants and their relatives in Mexico during the last 18 months,[1] support earlier research showing that tightened border

[1] These findings are reported in detail in Wayne A. Cornelius and Jessa M. Lewis, eds., *Impacts of Border Enforcement on Mexican Migration: The View from Sending Communities* (Boulder, Col.: Lynne Rienner Publishers and Center for Comparative Immigration Studies, UCSD, forthcoming 2006); and Wayne A. Cornelius, David Fitzgerald, and Pedro Lewin Fischer, eds., *Mexican Migration to the United States: The View from a 'New' Sending Community* (Boulder, Col.: Lynne Rienner Publishers and Center for Comparative Immigration Studies, UCSD, forthcoming 2006).

enforcement since 1993 has not stopped nor even discouraged unauthorized migrants from entering the United States. Even if apprehended, the vast majority (92–97%) keep trying until they succeed. Neither the higher probability of being apprehended by the Border Patrol, nor the sharply increased danger of clandestine entry through deserts and mountainous terrain, has discouraged potential migrants from leaving home. To evade apprehension by the Border Patrol and to reduce the risks posed by natural hazards, migrants have turned increasingly to people-smugglers (coyotes), which in turn has enabled smugglers to charge more for their services. With clandestine border crossing an increasingly expensive and risky business, U.S. border enforcement policy has unintentionally encouraged undocumented migrants to remain in the U.S. for longer periods and settle permanently in this country in much larger numbers.

Drawing on my more than three decades of fieldwork among Mexican migrants to the U.S., and a large body of research by other immigration specialists, I conclude that a border enforcement-only (or border enforcement-first) approach to immigration control will only produce more of these unintended consequences while failing to construct an effective deterrent to illegal entry. If built, the new physical fortifications and virtual surveillance systems included in the immigration bills approved by Congress since last December will have no discernible effect on the overall flow of illegal migrants from Mexico. But these new layers of protection *will* give people-smugglers an additional pretext for raising fees; divert clandestine crossings to more remote and dangerous areas, multiplying migrant deaths that are already running at 500-1,000 per year; cause more unauthorized crossings to be made through legal ports-of-entry, using false or borrowed documents; and induce more migrants and their family members to settle permanently in this country, thereby increasing outlays for health care and education.

The basic problem with fortifying borders is that it does nothing to reduce the forces of supply and demand that drive illegal immigration. These forces include: (1) the U.S. economy's persistently strong, and growing, demand for immigrant labor, at all skill levels; (2) extremely limited worksite enforcement, which has had no impact on the demand for unauthorized migrant labor; (3) the very large and still growing real-wage gap between Mexico and the United States (at least 10:1 for most low-skilled jobs); and (4) family ties—over 60 percent of the Mexican population have relatives in the U.S.—which provide a powerful incentive for family reunification on the U.S. side of the border.

More promising alternatives for reducing unauthorized immigration include a broad, earned legalization program; reducing the need to migrate illegally through significant increases in temporary and permanent visas (especially for low-skilled workers); and a binational program of targeted development to create alternatives to emigration in migrant-sending areas of Mexico.

Specific Research Findings

Since 1993, the U.S. Government has been seriously committed to reducing the flow of unauthorized immigration from Mexico, through tougher border enforcement. We have spent more than $20 billion on this project, and we continue to spend at a rate of more than $6 billion a year. Our strategy since 1993 has been to concentrate enforcement resources along four heavily-transited segments of the border, from San Diego in the west to the South Rio Grande Valley in the east. The logic of this "concentrated border enforcement" strategy is simple: Illegal crossings will be deterred by forcing them to be made in the remote, hazardous areas between the highly fortified segments of the border.

What effect has this strategy had on the flow and stock of illegal immigrants?

- When we embarked upon this project in 1993, the Border Patrol was making slightly less than 1 million apprehensions a year. Thirteen years later, the Border Patrol is making over 1 million apprehensions each year.
- The trends in apprehensions and spending on border enforcement intersected in Fiscal Year 2002. Since then, spending has outpaced apprehensions.
- During the period of tighter border enforcement, the population of unauthorized immigrants living in the U.S. has more than doubled in size, to something between 11–12 million.
- Illegal entries have been redistributed. Migrants and the people-smugglers who assist them have just detoured around the heavily fortified segments of the border.
- When we squeezed the border in the San Diego and El Paso areas, it bulged in central Arizona. The central Arizona border was reinforced, and since last fall illegal entries have been shifting westward, to Yuma and the California border, and eastward, to New Mexico and the El Paso area. (San Diego and

El Paso had been considered "operationally controlled" by the Border Patrol for the past seven years.) Most apprehensions are still occurring in central Arizona, but they are up by 21% in San Diego so far this Fiscal Year.

- The Border Patrol has reported a 45% drop in apprehensions, borderwide, in the last two months, attributing this to the President's deployment of National Guard troops. But apprehensions have fallen by only 2% for the whole Fiscal Year to date, and that could easily turn into an increase for the year if there is a spike in apprehensions during the last three months of the Fiscal Year.
- There is no hard evidence to support linking the recent downturn in apprehensions to the presence of National Guard troops on the border. Anecdotal evidence suggests that the main effect of the deployment has been to drive more migrants into the arms of people-smugglers and enable the smugglers to raise their fees—by $500-1,000 along some segments of the border.
- Our data show that a higher percentage of unauthorized migrants are being apprehended on a given trip to the border than in the 1980s. Even so, only about one-third are apprehended.
- And even if migrants are caught, they keep trying until they succeed. Our interviews with returned migrants in three different Mexican states revealed that between 92–97% of them eventually succeeded, on the same trip to the border.
- If the current U.S. border enforcement strategy were working, we should be seeing that the increased costs and risks of clandestine entry is discouraging prospective migrants even from leaving home. In fact, in our research in Mexican sending communities we have found that three-quarters of would-be migrants are quite knowledgeable about U.S. border enforcement operations.
- About two-thirds believe that it is much more difficult to evade the Border Patrol now than it used to be.
- Eight out of 10 believe that it is much more dangerous to cross the border without papers today, and many of the migrants whom we interviewed personally knew someone who had died trying to enter clandestinely.
- More than two-thirds had seen or heard PSAs warning of the dangers of clandestine border crossings, but fewer than one out of ten said that such messages would have any effect on their plans to migrate.
- It is difficult to overestimate the determination of the people who are willing to take such risks. One of our recent interviewees, a 28-year-old father, told us: "We don't care if we have to walk eight days, fifteen days—it doesn't matter the danger we put ourselves in. If and when we cross alive, we will have a job to give our families the best."

To summarize, this is what we can say about the consequences of our 13-year experiment with tougher border enforcement:

- Most would-be migrants have become well-informed about the difficulty and hazards of clandestine entry.
- Such knowledge has no effect on the propensity to migrate.
- Unauthorized migrants are willing to take greater risks and pay much more to people-smugglers to reduce risk and gain entry.
- Despite the border build-up, most unauthorized migrants still succeed in entering on the first or second try.
- Migrants' strategies of border crossing have been affected by enhanced enforcement (crossing points have changed; use of smugglers has increased), but illegal entry attempts are not being deterred.

The *unintended* consequences of the post-1993 border enforcement effort have been more important than the intended ones. The key unintended consequences include:

- *Creating new opportunities for people-smugglers.* Stronger enforcement on the U.S.-Mexico border has been a bonanza for the people-smuggling industry. It has made smugglers essential to a safe and successful crossing. Our research in rural Mexico shows that more than 9 out of 10 unauthorized migrants now hire smugglers to get them across the border. And the fees that smugglers can charge have tripled since 1993. By January 2006 the going rate for Mexicans was between $2,000–3,000 per head. But even at these prices it is still economically rational for migrants—and often, their relatives living in the

U.S.—to dig deeper into their savings and go deeper into debt to finance illegal entry.

- *Making the southwestern border more lethal.* By forcing migrants to attempt entry in extremely hazardous mountain and desert areas, rather than the relatively safe urban corridors traditionally used, the concentrated border enforcement strategy has contributed directly to a ten-fold increase in migrant fatalities since 1995. A new record of 516 fatalities was set last year, and the real death toll could easily have been twice that many, because we only know about bodies that have been discovered. Since 1995, more than 3,700 migrants have perished from dehydration in the deserts, hypothermia in mountainous areas, and drowning in the irrigation canals that parallel the border in California and Arizona.
- *Promoting permanent settlement in the U.S.* We have succeeded in bottling up within the U.S. millions of Mexican migrants who would otherwise have continued to come and go across the border, as their parents and grandparents had done. Given the high costs and physical risks of illegal entry today, they have a strong incentive to extend their stays in the U.S.; and they longer they stay, the more probable it is that they will settle permanently.

Additional investment of taxpayer dollars in a border enforcement-centered strategy of immigration control is likely only to produce more of the same unintended consequences—*not* to construct an effective deterrent to illegal migration.

It could be argued that partial fortification of borders fails because of its incompleteness. If the probability of apprehension is not uniformly high, migrants will continue to cross in areas where the risk of detection is still relatively low. But complete militarization of the U.S. land border with Mexico—a sea-to-sea system of physical barriers and electronic surveillance—inevitably would push people-smuggling operations into the Gulf of Mexico and up the Pacific Coast, as well as to the U.S.-Canadian border. Mexicans could fly, visa-free, to Vancouver or any other Canadian city in close proximity the United States and seek to be smuggled across our northern border.

Securing our maritime borders would be hugely difficult, as the European Union has discovered in recent years. This year alone, some 13,000 economic migrants from sub-Saharan Africa have braved perilous seas to try to enter the E.U. via Spain's Canary Islands—this despite the world's most elaborate electronic border-surveillance system. Thousands more have landed on the coasts of Italy, Malta, and Greece.

Is there a better way? I have three main recommendations:

First, we should legalize as many as possible of the unauthorized immigrants already here. That will reduce their vulnerability to exploitation, improve their mobility within the labor market, increase their contributions to tax revenues, and, by increasing family incomes, reduce high school drop-out rates and boost college-going rates among children of unauthorized immigrants.

Second, we need to reduce the necessity to migrate to the U.S. illegally. That means providing a temporary-worker option for as many as possible of prospective migrants who do not wish to remain in the U.S. permanently, and substantially increasing the number of employment-based, permanent-resident visas that we issue, especially to low-skilled workers. Much of today's unauthorized immigration is *manufactured* illegality: It is a direct function of a set of immigration laws and policies that unduly restrict the number of legal-entry opportunities for foreign workers based on their occupations. Currently, only 140,000 employment-based visas are available to people of all nationalities each year. And of those, only 5,000-10,000 go to low-skilled workers. Last year, only 3,200 employment-based visas were issued to Mexicans, in a year when more than 400,000 Mexicans were added to the U.S. work force through illegal immigration.

Third, we need to help create alternatives to emigration for a larger number of potential migrants in Mexico. Narrowing the U.S.-Mexico wage gap will be a multi-decade project. Only when the Mexican labor force ceases to grow, sometime after 2015, will there be upward pressure on wages in Mexico. Apart from changing demographics, narrowing the income gap will require deeper economic reforms in Mexico: improving the tax effort, modernizing labor laws, opening up the state-run energy and electricity sectors to private investment, and so forth.

NAFTA was supposed to have reduced the U.S.-Mexico income gap, but has had the opposite effect. Per capita GDP has risen in Mexico, but it has risen much faster in the U.S. Today, annual per capita GDP in the U.S. is more than 6 times that of Mexico. NAFTA created jobs in Mexico's manufactured-export sector, but competition from cheaper U.S. imports has put millions of small farmers out of work, and the non-agricultural jobs that have been created do not pay enough to enable most

Mexican families to lift themselves out of poverty. It is the real wage difference, more than anything else, that drives migration to the United States.

In our research in rural Mexico, we have found consistently that the leading motive for migration is higher wages in the United States than in Mexico. Only 4–5% of migrants interviewed in most studies reported that they were openly unemployed before going to the U.S. In our fieldwork earlier this year, we found that only 1% had been unemployed before migrating for the first time.

Micro-development programs, targeted at the areas that send most migrants to the U.S., have the capacity to create *better-quality* jobs, in the places where they are needed to discourage emigration. I am referring to programs to support small-business development; to create new a financial services infrastructure that facilitates saving and reinvestment of money remitted by Mexicans working in the United States; and programs to expand physical infrastructure—roads, telecommunications, irrigation facilities, and so forth.

The U.S. is no longer in the business of "Marshall plans." But a creatively designed and binationally financed program of targeted development, perhaps administered by the World Bank or the Inter-American Development Bank, is an idea that deserves much more serious consideration. This is the kind of development assistance that the northern EU nations channeled in massive amounts to Spain, Greece, and Portugal, before and after these countries joined the European Union. It made possible a step-level increase in GDP growth in these countries, reduced the north-south wage differential by half, and eventually turned all of the southern-tier EU countries into net importers of labor.

This far-sighted approach to immigration control worked in Europe, and it could work in North America, if we would stop treating unauthorized immigration as a matter of crime and punishment and start looking seriously at measures that would actually decrease the supply of would-be migrants. The developmental approach has gotten short shrift in both Washington and Mexico City, but it is the only approach to immigration control that is likely to reduce illegal migration significantly in the long run. There is virtually complete consensus among academic immigration specialists on this point.

IMMIGRANT CONTRIBUTIONS TO U.S. ECONOMIC STRENGTH AND FISCAL HEALTH

Since this hearing is examining the economic and fiscal impacts of immigration, I would like to conclude my testimony by reviewing some of the evidence bearing on these issues, drawing on my own research and that of other university-based social scientists who specialize in immigration studies.

There are numerous potential threats to future U.S. economic strength and fiscal health, but immigration is not one of them. On the contrary, the fact that we are so successful in the global competition for labor is one of our greatest strengths. That competitive edge is perhaps most evident in terms of highly-skilled immigration. In our ability to attract and retain high-skill immigrants, we currently rank fourth in the world, behind Australia, Canada, and Switzerland, but far ahead of Britain, France, Germany, and Japan.

We could be doing better in the global competition for highly skilled immigrants if we did not set an artificially low limit on this kind of immigration. In several recent years, all 65,000 H-1B temporary visas that were made available have been exhausted on the first day of each fiscal year. The Senate's immigration reform bill would raise the cap on temporary, high-skilled/professional immigration to 115,000, but most experts consider even that number to be inadequate.

We are conspicuously successful in attracting low-skilled immigrants, and it is important to recognize that the influx of these workers is making possible higher rates of growth in numerous labor-intensive industries than would otherwise be possible. Construction, the hospitality industry, and food processing are the most obvious examples.

Most economists believe that large-scale immigration—both low-skilled and high-skilled—is essential to assure robust economic growth, dampen inflationary pressures, and finance intergenerational transfer systems like Social Security and Medicare. Because of low fertility rates, our total labor force growth has already fallen from 5% a year in the 1970s to less than 1% since 1990. And without immigration, our labor force would be shrinking by 3-4% a year.

The contribution of immigration to labor-force growth was most evident during the economic boom of the late 1990s, but even now, with a national unemployment rate of 4.6%—and 3% in Sunbelt cities like San Diego, Las Vegas, and Phoenix—we are below what is conventionally defined as full employment. If immigrants were not entering our labor force in very large numbers, we'd be seriously overheating the economy.

The longer-term implications of immigration for the U.S.' economic strength and position in the world should not be underestimated. Like all other OECD countries, we have a population-aging problem. We are getting our young, entry-level workers largely from immigration. The contrasting age pyramids for our immigrant and native-born populations tell the story: 35% of our male foreign-born population in 2000 were in prime working age groups, compared with only 24% of the native-born population.

The "dependency ratio" in developed countries in general is set to rise steeply in the next 10 years and beyond. By last year, there were 142 potential labor-force entrants for every 100 potential retirees, but in less than 10 years, there will be only 87 labor-force entrants for every 100 retirement-age people. Europe and Japan have a huge problem, not just because of well-below-replacement-level birth rates but because for political reasons, they don't have expansionary immigration policies. There are already very large fiscal imbalances in the health-care and pension systems of these countries. As UC-Berkeley economist David Card recently observed, "They're going to end up on the back burner of the global economy," at least in part because their immigration policies are too restrictive.

Immigration at present levels will save the U.S. from labor force decline in the short-to-medium run, but it won't be enough eventually, because the birth rate among Latino immigrants—our highest-fertility group—is already falling sharply. It's still well above whites and blacks, but the trend is clearly downward.

In recent years, immigrants have accounted for more than 90% of the labor force growth in some regions of the U.S., like the Mid-West and the Northeast. These regions are experiencing a population implosion because of both low fertility and outmigration by native-born workers. Newly arriving immigrants are heading for these labor-short parts of the country, as well as cities in the Southeast and the Rocky Mountain states that have robust job growth. These "new gateways" for immigration absorbed far more immigrants during the past decade than traditional gateway cities like Chicago and Los Angeles. Migrants from Mexico, in particular, are dispersing themselves geographically to a much greater extent than previous generations of Mexican immigrants—a healthy trend, because it means that they are not piling up in already saturated labor markets where they might depress wages for other workers.

As immigrants have always done, today's immigrants are filling particular niches in the U.S. economy. In recent years they have accounted for most of the employment growth in occupational categories like cashier, janitor, kitchen workers, landscape maintenance worker, construction worker, and mechanic. The attributes that these jobs have in common are low-skill, low-wage, manual, and often, dirty, repetitive, and dangerous.

In California, immigrants have come to dominate virtually all low-skill job categories, with over 90% of the state's farm workers, two-thirds of construction workers, and 70% of the cooks in restaurants being foreign-born. At the national level, unauthorized immigrants are heavily concentrated in service occupations, followed by construction and manufacturing. Only 4% of the unauthorized immigrants in the country today are estimated to be working in agriculture. But agricultural work is still the occupation most dominated by unauthorized immigrants. According to recent estimates by the Pew Hispanic Center, about a quarter of all farm workers in the country are illegal immigrants; 17% of all cleaning workers; 14% of all construction workers; and 12% of all food preparation workers.

It is important to recognize that, at this point in time, the U.S. demand for immigrant labor is structural in character. It is deeply embedded in our economy and society. The demand no longer fluctuates with the business cycle. Our research on immigrant-dependent firms in San Diego County since the early 1980s has shown that even during recessions, such employers continue to rely on and hire new foreign-born workers. The job applicant pools of firms that depend heavily on immigrant labor no longer include appreciable numbers of young, native-born workers—and in most cases, natives haven't been represented for a decade or more. That is partly because there aren't enough new, native-born entrants to the labor market, but also because of changing attitudes in our society toward manual jobs.

Many immigrant-dependent firms have already tried various alternatives to hiring immigrants but they find no good substitutes. Some businesses may be able to reduce their overall labor requirements through further mechanization, but this option is available mainly to certain types of agricultural employers—not to those in services, retail, and construction.

Are established immigrants and their offspring stuck in the kinds of dead-end, low-wage, manual jobs that are typically held by newly arrived immigrants? Many of first-generation immigrants—particularly Latinos—do have limited occupational mobility. But the data on subsequent generations are much more encouraging: From

the first to the second generation, there is considerable movement into white-collar occupations, and out of low-wage service, construction, and agricultural work.

Even within the first generation, there is significant income improvement over time, as immigrants gain new skills, job seniority, and English proficiency. Census data analyzed by the Public Policy Institute of California show that recently arrived immigrants in California have had the steepest decline in poverty since 1993. There is still a large gap between immigrants and natives, but the gap has closed considerably in the last ten years.

The largest gaps in income, education, and occupational status are between Mexico-origin migrants and the native-born population. But even for Mexicans, the big picture is one of progress. There is not much change in occupational status among first-generation Mexican immigrants, but there is a big jump in the second and third generations. In terms of educational attainment, the children of Mexican immigrants are doing conspicuously better than their parents; they have much higher high-school graduation rates. But the high-school drop-out rate is much too high, and college graduate rates are still low.

A major reason why the second and third generations are doing better in terms of occupational and educational mobility is English proficiency. The transition from Spanish to English-dominance usually occurs in just two generations rather than the three generations that it took European-origin immigrants who arrived in the early 20th Century. These 21st Century immigrants don't need the U.S. Congress to tell them that English is the national language. They universally recognize that English competence is essential to their economic success in the U.S.—and to their children's success.

Another common misconception is that illegal immigrants are, for the most part, working "off the books" in the underground economy. But all major studies of unauthorized Mexican immigrants completed in the last two decades have found majorities of them working for "mainstream," formal-sector employers. They get regular paychecks and have state and federal taxes deducted from their earnings.

Among more than 700 Mexican immigrants interviewed by my research team in January-February of this year, after they had returned to their home town in the state of Yucatµn, fewer than one-quarter had paid no federal income taxes during their most recent stay in the United States, while 75% had had taxes withheld from their pay, or filed a tax return, or paid taxes both by withholding and tax return. That is clear evidence that these are not "underground" workers contributing nothing to public coffers. While the states and localities that provide services to unauthorized immigrants *are* disproportionately impacted, this is a revenue-sharing problem that should be addressed through federally financed, immigration impact-assistance programs.

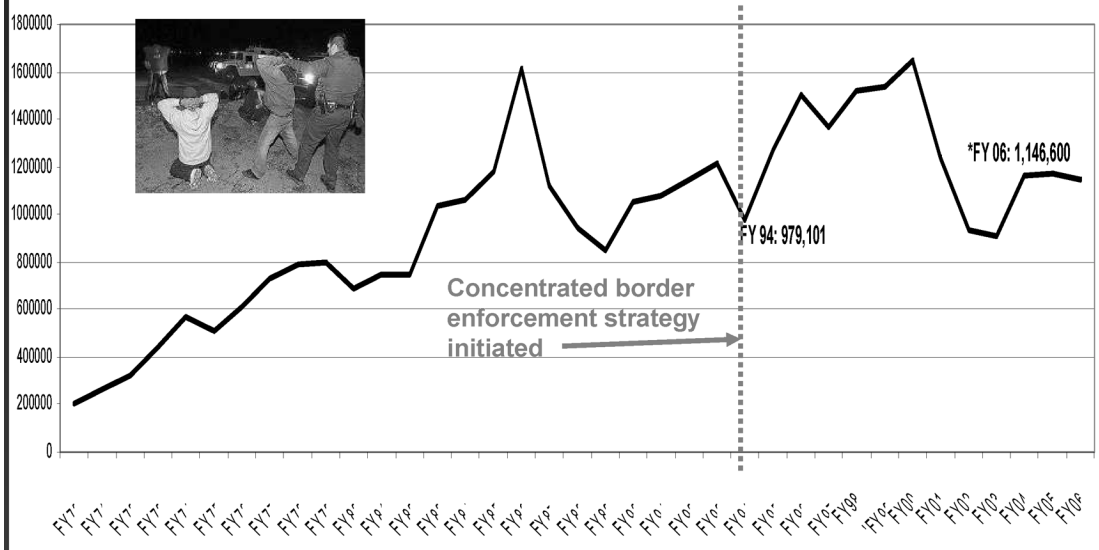
One final point about economic incorporation: Mexicans and other first-generation immigrants tend to have extremely high labor-force participation rates. *Illegal* immigrants are the most fully employed, with 94% of the men in the work force—significantly higher than native-born Americans. As economist David Card had observed: "These workers may be low-skilled, but they have incredibly high employment rates." A broad legalization program would increase the U.S.' rate of return on these immigrant workers by incorporating them more fully and enhancing the human capital that they bring.

ATTACHMENT

Testimony of
Wayne A. Cornelius
Director, Center for Comparative Immigration Studies, UC-San Diego

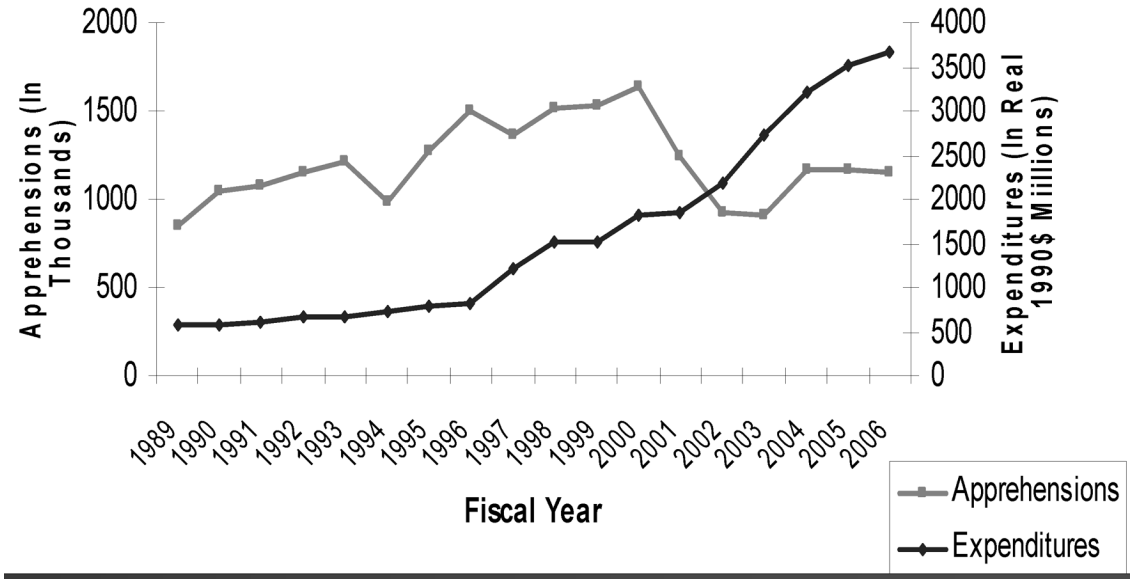
To the House Judiciary Committee, Field Hearing on Immigration, San Diego, August 2, 2006

Southwest border apprehensions



*Projected, based on 2% decline during Oct. 1, 2005 – July 15, 2006 period

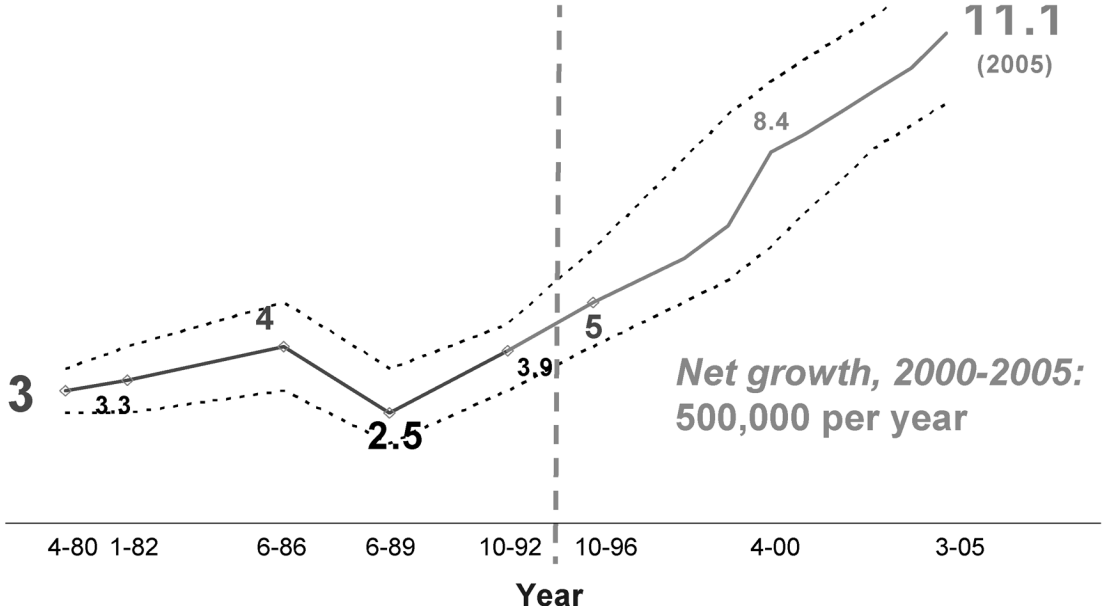
U.S Border Enforcement Expenditure and Apprehensions



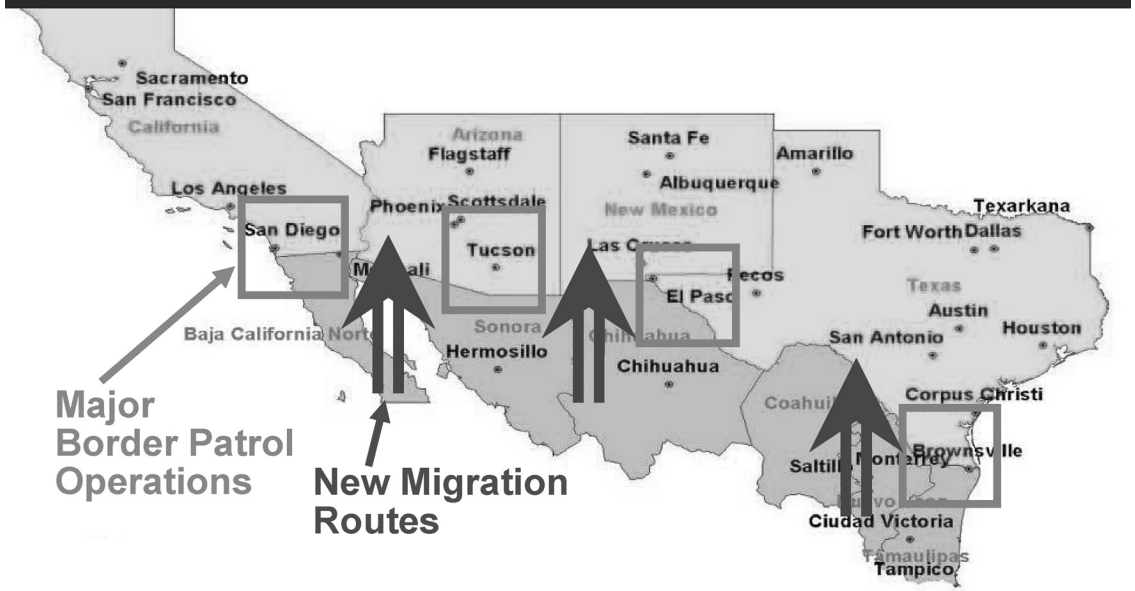
**Apprehensions in 2006 projected, based on 2% decline during Oct. 1, 2005 – July 15, 2006 period*

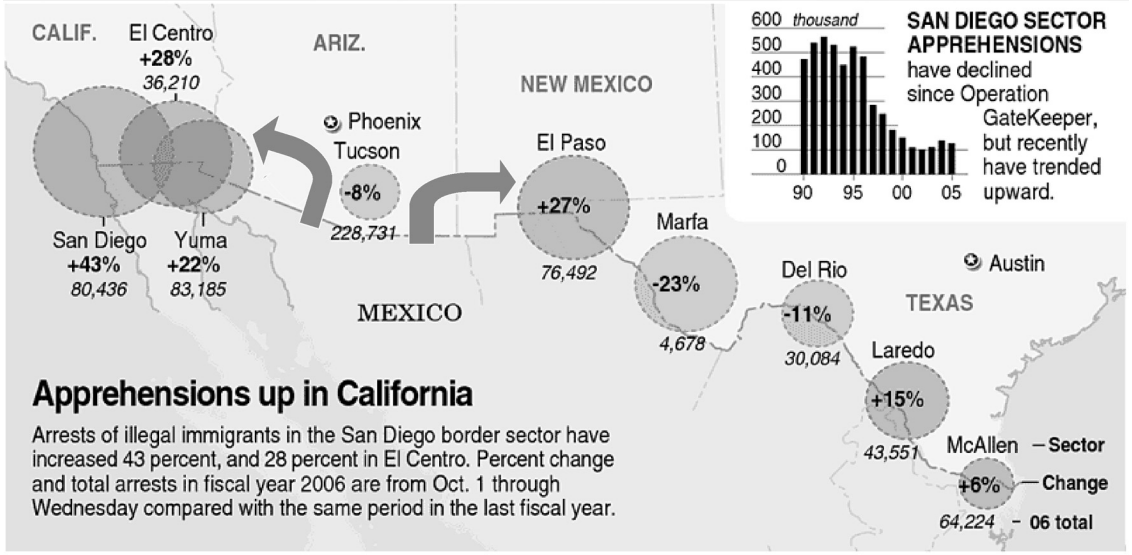
Stock of unauthorized immigrants living in the United States

(estimate by Pew Hispanic Center, March 2006)



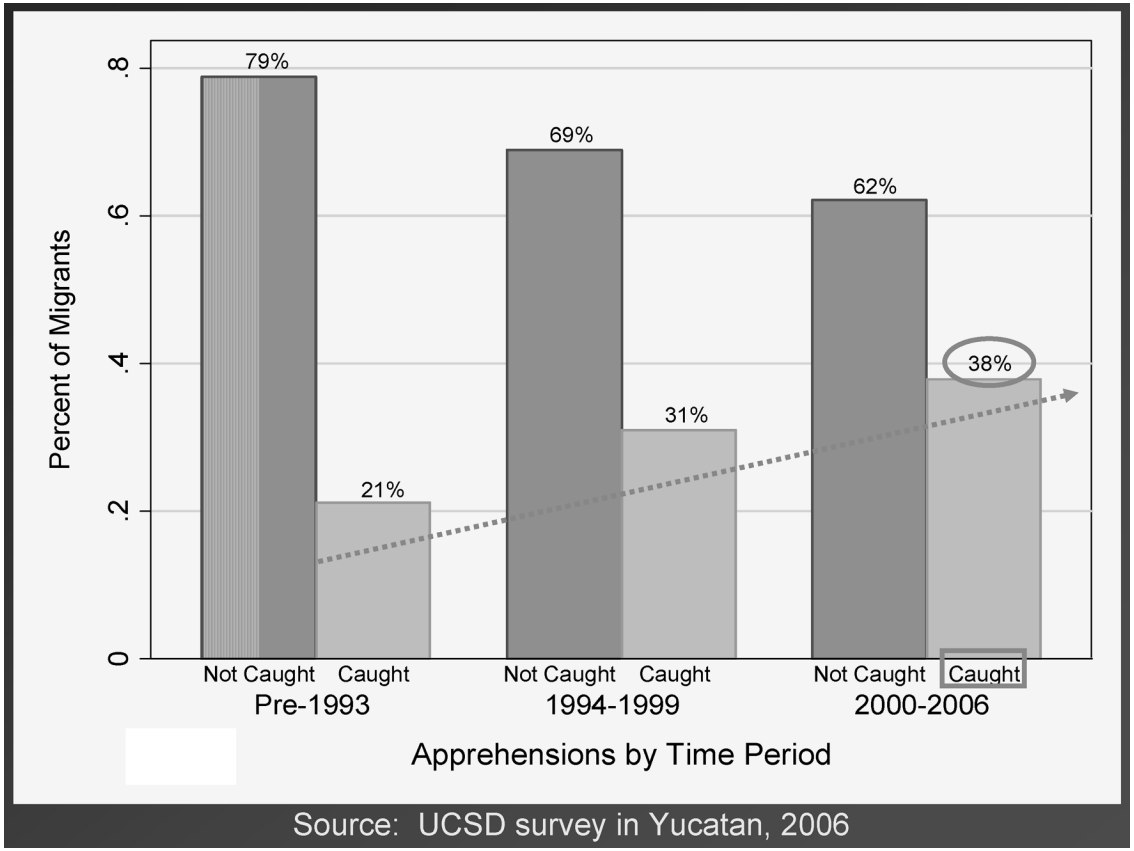
Migrants Take More Dangerous Routes Around Border Patrol Operations





SOURCE: U.S. Border Patrol

BRIAN CRAGIN / Union-Tribune



Source: UCSD survey in Yucatan, 2006

Actual border crossing experiences of unauthorized migrants

(among those apprehended one or more times on most recent trip to the border)

- 92% of *Jalisco* + *Zacatecas* migrants were able to enter eventually, on same trip
- 97% of *Yucatec* migrants eventually succeeded
- Most entered successfully on 1st or 2nd try

Knowledge of intensified border enforcement

- **75%** of unauthorized migrants from Jalisco, Zacatecas, and Yucatan knew about enhanced border enforcement efforts

Perceived difficulty of clandestine entry (among those with U.S. migration experience)

% who believe it is "much more difficult" to evade the Border Patrol when crossing the border now:

Jalisco, Zacatecas:	**62%**
Yucatan:	**68%**

Source: UCSD surveys in Jalisco and Zacatecas (Jan. 2005), and Yucatan (Jan.-Feb. 2006)

Perceived danger of illegal entry

- 78% of recent migrants from Jalisco, Zacatecas believe it is "very dangerous" to cross the border without papers (81% of Yucatecan migrants)

- 64% of Jalisco, Zac. migrants knew someone who died trying to cross border (12% of Yucatecan migrants)

"We don't care if we have to walk eight days, fifteen days—it doesn't matter the danger we put ourselves in. If and when we cross alive, we will have a job to give our families the best."

– Miguel, 28 yr.-old migrant to the U.S., February 2006

Effects of border enforcement on migration behavior

- Most would-be migrants are well-informed about the difficulty and hazards of clandestine entry.
- Such knowledge has no effect on the propensity to migrate.
- Unauthorized migrants are willing to take greater risks and pay much more to people-smugglers to reduce risk and gain entry.

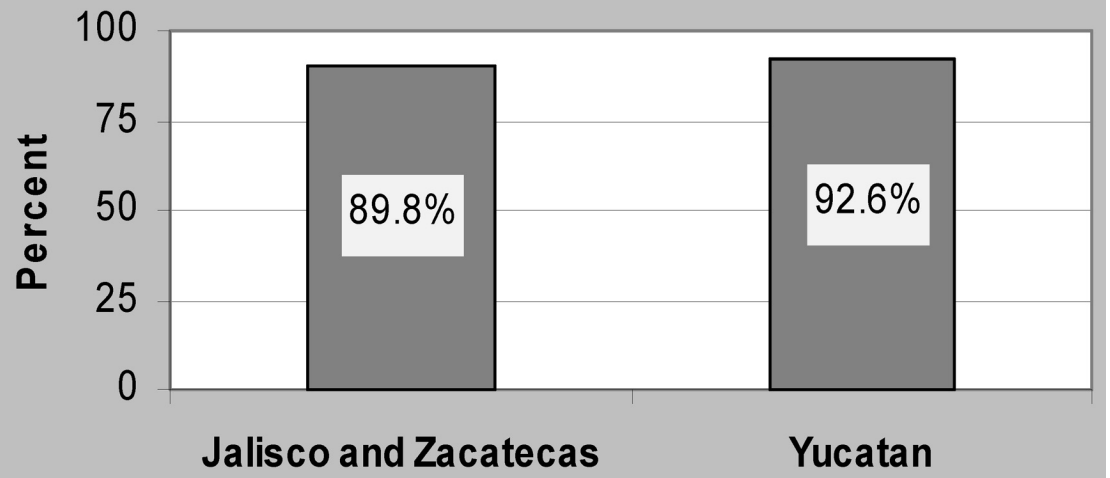
- Despite the border build-up, most unauthorized migrants still succeed in entering on the first or second try.

- Migration strategies have been affected by enhanced border enforcement (crossing points have changed; use of smugglers has increased), but illegal entry attempts are not being deterred.

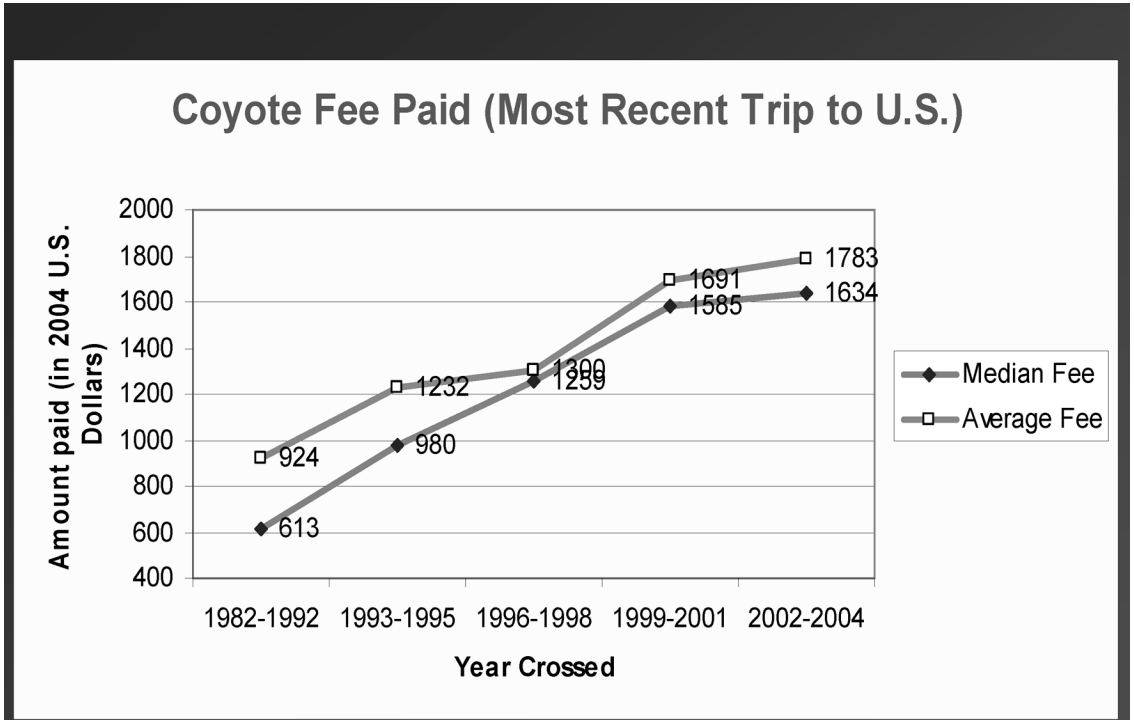
Unintended consequences of border enforcement have been more important than the predicted outcome (deterrence of unwanted immigration)

- **creating new opportunities for professional people-smugglers**
- **making borders more lethal (increasing migrant fatalities)**
- **higher rates of permanent settlement in the U.S.**

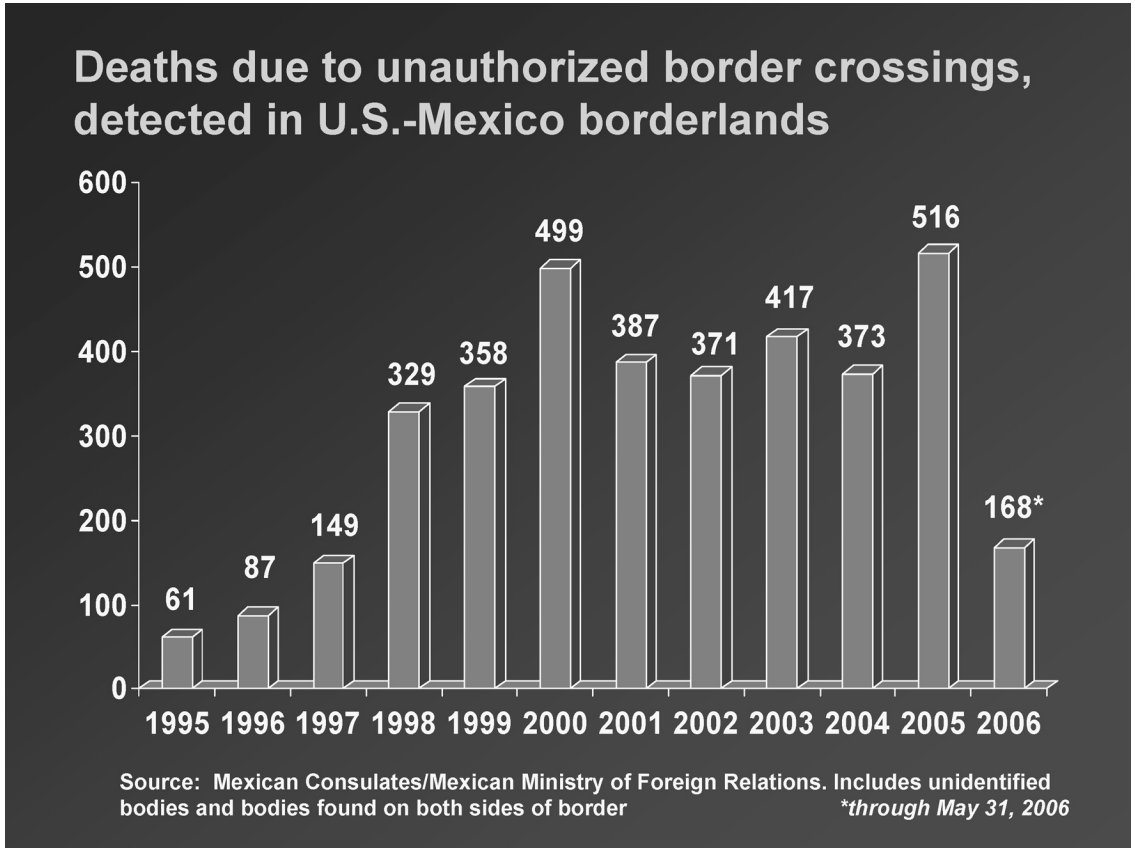
% of unauthorized migrants who used a people-smuggler on most recent trip to U.S.



Source: UCSD surveys in Jalisco, Zacatecas, Yucatan, 2005-2006



Source: UCSD survey of returned migrants in Jalisco and Zacatecas, 2005


Deaths due to unauthorized border crossings, detected in U.S.-Mexico borderlands
600
500
400
300
200
100
0
61
87
149
329
358
499
387
371
417
373
516
168*
1995 1996 1997 1998 1999 2000 2001 2002 2003 2004 2005 2006
Source: Mexican Consulates/Mexican Ministry of Foreign Relations. Includes unidentified bodies and bodies found on both sides of border
*through May 31, 2006

Extending stays in the United States

- **37%** of Jalisco + Zacatecas migrants stayed longer than expected on most recent U.S. sojourn *(51% among Yucatecos)*

- **79%** know someone who *remained* in the U.S. because of stronger border enforcement

Source: UCSD surveys in Jalisco, Zacatecas, and Yucatan, 2005-2006.

Sub-Saharan migration to Spain

Policy recommendations

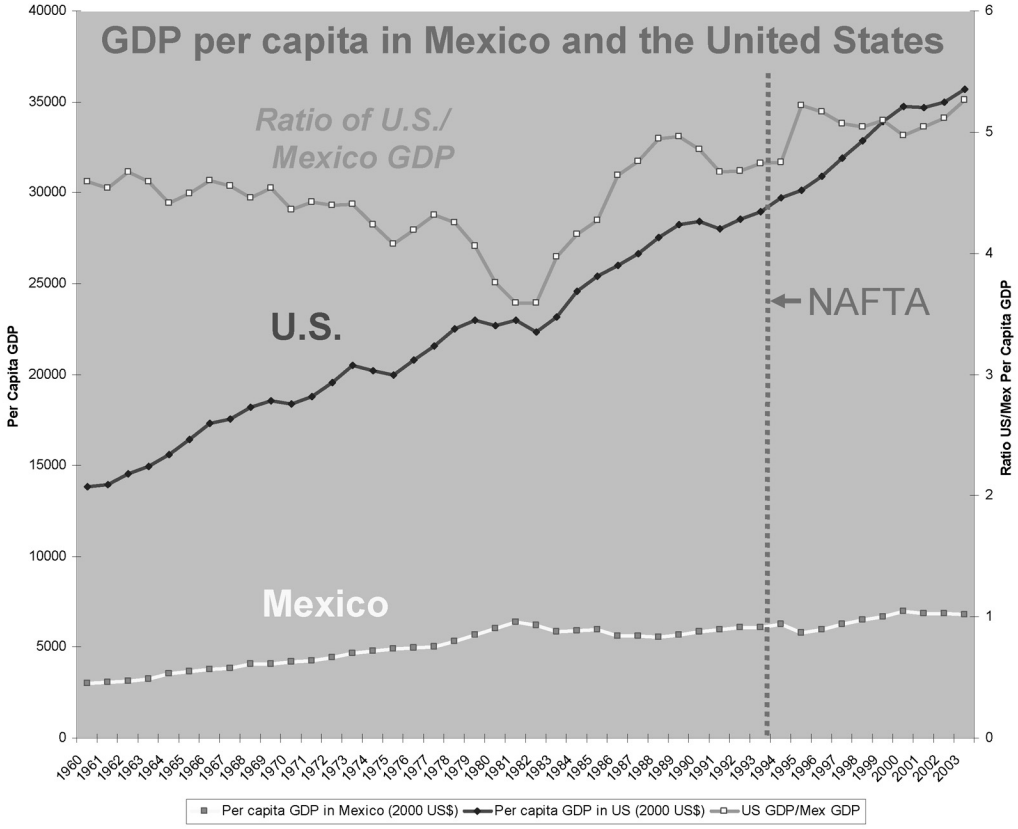
- Legalize most unauthorized immigrants already here, and encourage naturalization.
- Provide more legal entry opportunities for new immigrants, both high-skilled and low-skilled, temporary and permanent.
- Create alternatives to emigration in sending areas (targeted development programs that create higher-paying jobs)

Employment-based immigrant visas

Current cap: 140,000 per year
(of which 5,000-10,000 are usually allocated to *low-skilled* workers)

3,261 employment-based visas were issued to *Mexican* immigrants in 2003

= *manufactured illegality?*


GDP per capita in Mexico and the United States
Ratio of U.S./ Mexico GDP
U.S.
Mexico
NAFTA
Per Capita GDP
Ratio US/Mex Per Capita GDP
Per capita GDP in Mexico (2000 US$)
Per capita GDP in US (2000 US$)
US GDP/Mex GDP

Principal reason for most recent migration to the United States	
Higher wages in U.S. than in Mexico	36%
Home construction, debt repayment, or starting business in Mexico	16
More job opportunities in U.S.	15
Family reunification	12
Vacation	8
Returning to the same job in U.S.	3
Other	10
Total	100%

Source: UCSD survey of Yucatec migrants, 2006

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Chairman SENSENBRENNER. Now Sheriff Baca and Mayor Antonovich have to leave at 3:30. So in order for as many Members as possible to ask questions of them as well as the other members of the panel, the Chair will strictly enforce the 5 minute rule. The Chair will also defer his questions until the end.

The gentleman from California, Mr. Gallegly is recognized.

Mr. GALLEGLY. Thank you very much, Mr. Chairman, and thank you for holding this meeting today in beautiful California.

Supervisor Antonovich, we've known each other for a lot of years and I know your commitment to this issue. We've talked about it personally for over 20 years.

I found your testimony interesting in many ways, but one of the issues had to do with the criminal justice system where you were referring to the cost of catching criminal aliens, prosecuting them and incarcerating them. And then I was interested in your next category, providing them with the cost of probation. Could you explain to me why you were providing them probation rather than the fact that they would be deported?

Mr. ANTONOVICH. Well, when you consider the Probation Department is part of the judicial system. When you're going through a court trial, the Probation Department has to fill out information to give to the judge when they determine the sentencing for that individual.

Mr. GALLEGLY. Most of them stay and——

Mr. ANTONOVICH. Regardless if they're going through the system and many are—you know, what do we have in our State prison? About 33 percent of our State inmates in our State prisons are illegal. They've gone through the criminal justice system. And along with providing a district attorney and a public defender, the court relies upon the Probation Department to give a report as to that individual's status.

And then you also have juveniles that are in the probation system that are not here illegally, and those are costs for those programs for board and room.

Mr. GALLEGLY. Mike, do you know offhand what the estimated percentage of population of illegal immigrants in LA County is?

Mr. ANTONOVICH. It's approximately 12 percent we've been told.

Mr. GALLEGLY. Okay. Sheriff Baca, you mentioned that your jails have a 26 percent population of illegal immigrants as criminal aliens that are not in jail for an immigration violation but crime against another person. Then based on what Mr. Antonovich said, would it not then be accurate to say that an illegal immigrant is more than twice as likely to commit a crime in Los Angeles County than an American citizen?

Sheriff BACA. I can't be——

Mr. GALLEGLY. Is convicted of committing a crime? If you have 26 percent of your population and only 12 percent—that are in jail and only 12 percent of the population are illegal, those numbers seem to be disproportionate to the percentage of American citizens.

Sheriff BACA. Yes, I think you can make that assumption.

I also want to say that 40,000 illegal immigrants are in State prison of California. And this shows clearly that California as a State has been burdened with this problem from a criminal point of view more than any other State in the United States. And so we

really have a sense of a disaster going on right now when it comes to crime committed by illegal immigrants after they've arrived here, penal code sections, Federal laws, State and Federal laws combined.

Mr. GALLEGLY. If I might ask, I know we have a real tight schedule here, but if my memory serves me correctly and correct me if I am wrong, but you are recently quoted I believe in an L.A. Times article that last year your jail released 21,000 plus or minus people pretty much early, in many cases booked and released on the same day because of jail overcrowding. Is it accurate that you had 21,000 people that did not serve the term that the judge gave because of the lack of bed space which could be directly attributed to a 26 percent jail population of illegal?

Sheriff BACA. Yes. And all 58 counties in California including the station prison system are gridlocked because they're all at capacity. And, of course, if my percent of 25 or 26 percent holds across the board and I know it varies in the different counties, we're looking at essentially a jail system and a prison system that is moving a stronger number toward incarcerating more illegal immigrants who are committing penal code violations——

Mr. GALLEGLY. Sheriff, forgive me for interrupting you, but could you tell me if a large percentage of these that are released early are actually booked and released the same day in a matter of a few days and for what types of crimes? would it be like drunk driving, spousal abuse, assault; crimes like this that don't really serve their terms?

Sheriff BACA. Yes. They are what are known as county sentenced prisoners, 1 year or less in county jail. And the categories you identified and others are.

Mr. GALLEGLY. And many are booked and released the same day

Sheriff BACA. Within a couple of days.

Mr. GALLEGLY. Thank you, Mr. Chairman.

Chairman SENSENBRENNER. The gentleman's time has expired.

The gentleman from California, Mr. Berman.

Mr. BERMAN. Thank you, Mr. Chairman.

Mike, nice to be with you again. And you cited—your testimony made some compelling conclusions that I think are pretty accurate about the costs in health care and education and in prisons of people who have entered this country illegally or who have over—some portion of the people who have entered this country and overstayed their visas. What does the House bill do about any of those costs?

Mr. ANTONOVICH. For housing?

Mr. BERMAN. No. What does the House passed bill, the

Sensenbrenner bill, as referred to affectionately, do about any of those issues or do you know, or can I suggest to you that the proposition that it does nothing about that is the accurate conclusion?

Mr. ANTONOVICH. The enhanced and enforcement would eliminate a large number of future illegals from coming here.

Mr. BERMAN. Perhaps. And as to your existing costs——

Mr. ANTONOVICH. But right now——

Mr. BERMAN. You've talked about reimbursement from the Federal Government for health care costs, reimbursement for prison costs. The White House zeros out proposed funding for reimbursement to State and local governments for prison costs. It proposes

nothing. The House appropriators, notwithstanding our recommendations to the Budget Committee, never fully fund reimbursements to State and county governments. We have woefully fallen short of at least helping local taxpayers in the most impacted areas and particularly in California.

Mr. ANTONOVICH. The House——

Mr. BERMAN. We're dealing with the cost of the failure of the Federal Government's immigration policy.

Mr. ANTONOVICH. Well, you have a patient that's bleeding and the House bill applies a tourniquet to the wound which allows the bleeding to stop and then we can begin focusing on the cost and the problems that we have. But having a legal permit system in place would also provide opportunities for people to come here to work legally and then return to their country.

Mr. BERMAN. Would it be fair to say that neither the House bill nor the congressional efforts or White House efforts up to this point have dealt effectively with the costs of illegal immigration to local governments?

Mr. ANTONOVICH. When a bill goes into Conference——

Mr. BERMAN. Are you willing to say that?

Mr. ANTONOVICH. I'm willing to say that. When a bill goes into Conference——

Mr. BERMAN. Okay. Then my next one——

Mr. ANTONOVICH.—that's why I threw out that——

Mr. BERMAN. I'm limited on time, that's my only problem.

Professor Cornelius, I'd like to ask you and Mr. Rector a question. 1986 we passed a legalization program. You mentioned some things that should be done to deal with what you think is the ineffectiveness of our border enforcement program. But it is fair for critics of that '86 bill to say that the notion that you could come to this country and get legalized becomes a pull. So nothing in your proposals dealt with what would stop additional millions from wanting to come to this country once you legalized and adjust the status, which I personally happen to think that you need to do. But how do you deal with the magnet that that act creates in encouraging more people to come illegally in the hope that one day they will be legalized?

Mr. CORNELIUS. Well, the best——

Mr. BERMAN. And I have one question after that, Mr. Chairman. Okay.

Mr. CORNELIUS. The best evidence that we have about the 1986 legalization is that it had a short term stimulus effect on undocumented migrants, wives and children of men who were undergoing the legalization process. After about 18 months that effect disappeared.

Mr. BERMAN. Well, you've talked about increases in people coming. Some people say it's proposals to—the Bush proposal on guest workers or some of the other proposals that have incentivized more people to come. Why do you discount that as a motivation for additional people trying to come.

Mr. CORNELIUS. It could be a motivation for a very small minority. We asked, in fact, in the survey that we conducted just a few months ago. I'm skeptical of methodology which——

Chairman SENSENBRENNER. The gentleman's time——

Mr. BERMAN. Could I ask consent for one additional minute. I just——

Chairman SENSENBRENNER. Well two of our witnesses have got to leave at 3:30. And I think everybody would like——

Mr. BERMAN. Okay.

Chairman SENSENBRENNER. The gentleman from Ohio, Mr. Chabot.

Mr. CHABOT. Thank you, Mr. Chairman. I thank the Chairman.

I would just note first of all before I get on to my questions, that relative to the '86 bill which was supposed to have control of our borders and which did clearly have amnesty, at that time we had about 2-2½ million people here illegally according to estimates at that time. Now that was tried, clearly it didn't work because they didn't get control of our borders. And now we're talking in the House bill of seriously dealing with controlling our borders, but the Senate bill which includes anything that approaches amnesty when you consider when we went from 2½ million to probably at least 12 million now here illegally in this country to me is just something that would be the wrong direction for us to go. And I don't think we're going to go that way, but I know that many in the Senate think that that's the way we should go. I totally disagree with that.

Congressman King and I had the opportunity before coming to this hearing, since we had some time between our flights arriving this morning and this hearing, had an opportunity to go down to the border and meet with the border folks down there and see firsthand some of the things that they're dealing with. And, you know, in some places you have triple fencing, some double and some just a single fencing. And I know there was some frustration because they haven't been able to get cameras, apparently, in much of the places down there. And so that's something, I think, and perhaps Sheriff Baca, I don't know if you wanted to comment on that. But that would seem to be something that would be very helpful.

In addition to that, some of the frustration was the fact that when they pick these folks up they take them back down to Mexico and release them. And in one area where they have to release them, they have to do it at night because to do so in the daytime would be embarrassing to the Mexican government, which seems that perhaps the Mexican government should be embarrassed because they are in many cases I think helping to have this continue to be an ongoing problem as it is. But, Sheriff Baca, if you could comment on the cameras, first of all?

Sheriff BACA. Well, I think that the cameras are a very important tool. I also think, although there's a variety of opinions on this, that a wall needs to be built. And in this respect it doesn't mean that it's an inhumane effort to—message that the people in America doesn't have an open process for immigration. But everything about security involves something physical. You cannot put a chain of human beings on the border and say you have a security system if that chain of human begins will take 5 to 10,000 people arm-to-arm.

Unfortunately, law enforcement and public safety is a 24 hour and 7 day a week endeavor. And if you don't have all the human resources that are necessary to seal off the border, the only thing

you have are cameras and a wall. And you have to have a system in place that's a human system to back it up.

Mr. CHABOT. Thank you.

Mr. Rector, if I could go to you next. Some have said that illegal immigrants if they were granted amnesty, that they would no longer be working off the books and would become taxpayers. However, isn't it the case that once they became legalized, illegal immigrants could then qualify for the earned income tax credit and the Federal Government would actually have to write checks every year to a number of these people, and could you comment on that?

Mr. RECTOR. Absolutely. The numbers I gave did factor in the idea that if they were made legal, that they would both have high——

Chairman SENSENBRENNER. Pull the mike closer to you and push the button.

Mr. RECTOR. The numbers I gave suggest—they were based on the assumptions that they would pay more in taxes once they became legal. Even their wages would go up if they had a broader market to compete in. But that that would be vastly offset by the increased eligibility for all sorts of different Government programs.

Currently their children are mainly citizens so they get welfare, but the adults don't. And for example, the earned income tax credit. The earned income tax credit provides refundable cash to people that makes less than $30,000 year. As a result of that the typical family of four in the United States that makes less than $25,000 a year, once you factor in the earned income tax credit plus the refundable child credit, they don't pay any taxes at all to the Federal Government if they make less than $25,000 a year. In fact, they get cash back. They don't pay any income tax on average unless they make over $40,000 a year.

So you're exactly right that although you might theoretically get a little bit more in taxes, it's vastly outweighed by the increase in benefits that they would receive, and that's just the tip of the iceberg. We can go on with Medicaid, SSI——

Chairman SENSENBRENNER. The gentleman's time has expired.

The gentlewoman from Texas, Ms. Jackson Lee.

Ms. JACKSON LEE. Let me thank the Chairman very much, and allow me to thank the Marines for their service.

But simply offer a question as to whether or not a community-based site could have been selected so that the premise of these hearings could really be valid so that those who live in San Diego would really have real access and real opportunity to participate.

I do acknowledge Ms. Luevano, the State Director of the California League of United American Citizens and I'm delighted that our hero, Dolores Morales Huerta, United Farm Workers, is also in the room. I imagine there may be some others.

I want to start from the perspective of my history, since our time is very short, but what I would simply say is that John F. Kennedy said "The great enemy of the truth is very often not the lie—deliberate, contrived and dishonest—but the myth—persist, pervasive and unrealistic." Belief in myths allows the comfort of opinion without the discomfort of thought.

And so what we have today in this series of hearings is, of course, myth. It allows people to be comfortable in their thoughts without anyone giving information to the contrary.

Might I say to my colleagues and to the witnesses Republicans control the White House, the Senate and the House and yet due to their infighting is the reason why we're here today.

I hold in my hand, having just recently come back from Iraq, the bars of a sailor who took them off of his shoulders to share with me as we traveled throughout the region and wound up in Spain on the base that supports many of those in Iraq. This soldier has a history of an immigrant. This soldier has a wife of which he is attempting to reunite and to provide a legal access to citizenship.

This is a person that we are maligning here today. This is a symbol of an undocumented individual.

Chairman SENSENBRENNER. The gentlewoman from Texas is entitled to her opinion.

Ms. JACKSON LEE. Thank you, Mr. Chairman.

Chairman SENSENBRENNER. And the Chair would appreciate it if those who agree with her and those who disagree with her would listen to what she has to say. And then somebody else will take the opposite position and is entitled to the same respect.

The gentlewoman from Texas.

Ms. JACKSON LEE. Thank you.

This is who we're maligning today.

I hold in my hand the Senate bill that is not named Reid-Kennedy. The signatures on this bill is Senator Brownback, Senator Chuck Hagel, Senator Martinez, Senator Lindsey Graham, Senator Kennedy and Senator McCain. This is the bill. There is no Reid-Kennedy bill.

I will put in the record a series of rebuttals to this huge—or this question, this myth about how much cost these various undocumented individuals may wind up costing.[1]

I will put into the record a statement, an article from the *Houston Chronicle* that says "Immigrant bill might be doomed this year. Bush's call for action delayed by House plans for public hearings." And a statement by Representative Jeff Flake whether they're trying to kill the immigration bill, a Republican out of Arizona, or not this could be the death knell and he's talking about his colleague's hearings.

Let me ask the question to Professor Cornelius and I'll make it combined question. What happens when we don't have comprehensive immigration reform and what real security benefits does an enforcement only solution provide?

Before you answer that, I want to thank Sheriff Baca for his service and commend him to HR 44-44. It's a Democratic bill, but it provides for a 100,000 detention bill. And it answers this question about border security by the numbers. It quickly tells you that we worked under the Clinton Administration with Border Patrol agents 1993 down in the Bush Administration. Fines for immigration enforcement up in the Clinton in 1990 and now down in the Bush Administration. Seventy-eight percent fewer immigration court cases; 6,000 under Clinton and 1,300 under Bush.

[1] The information referred to was not available at the time this hearing was printed.

Would you answer the question, Mr. Cornelius what happens with an enforcement only solution?

Chairman SENSENBRENNER. The time of the gentlewoman has expired.

The gentlemen from Indiana, Mr. Hostettler.

Mr. HOSTETTLER. Thank you, Mr. Chairman.

At this time, Mayor Michael Antonovich, I would like to release you from the existential prison that our colleague Mr. Berman has constructed for you and to ask you what would happen under a very aggressive enforcement of our immigration laws, especially with regard to employer sanctions that were put in place in 1986?

Mr. ANTONOVICH. It would eliminate incentives for people to come here illegally. It would allow us to focus on on the problem of those that are here. But right now with more coming in daily, the costs continue to escalate.

Having, you know as I said, a Social Security verification program where the employer can verify that Social Security for that employee with the Federal Government being responsible to enforce that provision, again provides a disincentive for people to come here to work illegally.

I mean, we need legal immigration. We're all products of immigration. But you need legal, not illegal. Illegal you're only rewarding those to break the law for future times.

As Howard knows, we supported the Simpson-Mazzoli, we worked on that bill. And what's missing, and we're finding out not having a strong enforcement and all of the Administrations have not done well with the enforcement. We know that the Border Patrol needs more personnel. And that's why we said do what we do in local law enforcement. We have reserve components who are trained people who can go and assist and back up—with the patrol. That gives you additional personnel. But you need to have a secure border. You need to have respect for the law. If you don't like the law, then change the law.

Mr. BERMAN. Would the gentleman yield for 10 seconds? Ten seconds?

Mr. HOSTETTLER. Ten.

Mr. BERMAN. But you have to pass a bill. And like the House bill, it's not going to pass.

Mr. HOSTETTLER. Reclaim my time. Reclaim my time.

Simpson-Mazzoli that passed in 1986 not only make it unlawful to hire new illegal aliens, it also makes it unlawful to employ illegal aliens, does it?

Mr. BERMAN. Yes.

Mr. HOSTETTLER. So it does not only have a chilling effect on the incentive for new hires and new illegal entry across the borders, but with regard to aggressive enforcement today it says if you've been working illegally at a place as a result of your illegal residence in the country at a place of employment for 20 years, you're still subject to deportation. I mean, you're still subject to employer sanctions, I should say.

Mr. ANTONOVICH. Employer sanctions, exactly.

Mr. HOSTETTLER. So it not only takes the incentives away from future entries in the country by illegal aliens, but it also eliminates

the motivation for employers to maintain their employment of even long term illegal aliens in the country.

Mr. ANTONOVICH. Right. And have a process where people can come back and apply for green cards that come in legally to work.

Mr. HOSTETTLER. Thank you.

Mr. Burns, in your testimony you talked about $5 million cost for foreign nationals. Is that a net cost meaning do you take the foreign nationals who are a net contributor to health care costs at your hospital and those that are a net deficit to your hospital?

Mr. BURNS. That is correct. The numbers I reflect at net reimbursement, which is fairly immaterial.

Mr. HOSTETTLER. So that is a net number and so is your experience that foreign nationals in the country at this point are a net deficit to health care in your hospital?

Mr. BURNS. This is a small microcosm. It's been a net cost to University Medical Center in caring for foreign nationals, that is true.

Mr. HOSTETTLER. From the testimony that you've heard from Mr. Rector do you agree that legalizing, amnestizing the individuals who are currently illegally present in the country will lead to future high levels of negative reimbursement of deficit funding, you might say, without some significant Government intervention because of the skill levels of the immigration population today that is to be amnestized?

Mr. BURNS. Let me take a stab at answering your question. Regardless of their skill levels of the individuals, currently the majority of the people that we see at our hospital that are foreign nationals actually came across the border legally and they're here already. And so the funding mechanism for those individuals largely doesn't exist now, although there's some funding under Federal Emergency Services.

So if you make these folks legal, we will have the same situation as we have now, and that is there are not adequate funding for health care providers for those individuals.

Mr. HOSTETTLER. And one more question.

Chairman SENSENBRENNER. The gentleman's time has expired.

The gentleman from California, Mr. Issa.

Mr. ISSA. Thank you, Mr. Chairman.

Mr. Cornelius, I know you've been patiently waiting to answer Ms. Jackson Lee's questions, but I have a few of my own.

In your testimony you said that one of the recent interviews—one of our recent interviews a 28 year old father told us we don't care if you have to walk 8 days, fifteen days; it doesn't matter the danger we put ourselves in if and when we cross alive, we will have a job to give our families our best. And then later you also say in your statement it is a real wage difference more than anything else that drive migration, you use the term migration as does the Mexican government, to the United States. In our research in rural Mexico we have found consistently that the leading motive for migration is higher wages in the United States than in Mexico. Only four to 5 percent of migrants interviewed in our most recent studies reported that they were openly unemployed before going to the U.S.

Now, I put those two together and I'll phrase the questions. Essentially what I hear you saying is these people want to be part of our system for more money. They're in a country which is not the first world, but it's richer than probably 3° billion to 4 billion people in other countries of the world, but they're able to get through their Government, through their country, get to our border and come in illegally and they're taking advantage of that. And that's basically it. It's not—they're not be persecuted or prosecuted, their country is not holding them in some sort of an evil tyranny. They simply don't make enough money and they come here to make more. That's what I think you said in your statement. Is that correct?

Turn your mike on, please. Sadly enough you had it on for the last 5 minutes and then you turned it off for me.

Mr. CORNELIUS. Not at all, Congressman.

Clearly the wage differential is what's driving most of the migration.

Mr. ISSA. Okay. So if we assume that, and I think you hit it right on the head in your statement, then am I correct and maybe, Mr. Rector, you're much more the economist here, I'm correct in saying that out of 6 billion people in the world, 5 billion are dramatically poorer than the United States? It's really the United States, Western Europe, Canada a couple of other places in which there's real wealth, is that correct?

Mr. CORNELIUS. Absolutely. I think you could easily say that if they were able to do it, you'd probably have 3 billion people across the globe that would like to come here because they could make more money. What we face is a society that's really unique to any industrial nation is that we share a 2,000 mile open border with a less developed economy and we do not sanction those people when they come here and get employed, that's why they're here.

Mr. ISSA. You know, my grandfather came through Ellis Island. And so every time I hear the quote from the lady at the bottom of the statue I think about the fact that it was a broad-based immigration. People from all over the world in dissimilar numbers but in very diverse numbers came to this country.

Our first hearing, Mr. Chairman, the number of illegals caught at the border last year in San Diego, 108,000 Mexicans—108 illegals caught, 107,000 Mexican, 1,000 other than Mexican but basically Hispanic, Guatemalan being the number two and 47 people of interest.

Substantially what we're doing with a broken border is we're simply making a selection that one country gets all the benefits that the Statue of Liberty awards and all the other countries get slipped out from that benefit. And I would say that from an economic standpoint, even if we assume what we have heard today in undeniable terms, and that is that it does cost us to bring people into this country; they do not start off as net payers, what is the basis to assume that with our broken border system that we should bring in disproportionately 99 percent from any one country. Can anyone answer that here today? That's the one question I want to know is why is it we will perpetuate a system of getting 99 percent to one country when the Statue of Liberty intended us to look at the downtrodden of the world equally.

Thank you. I yield back, Mr. Chairman.

Chairman SENSENBRENNER. The gentleman from Iowa, Mr. King.

Mr. KING. Thank you, Mr. Chairman. And I want to thank you, Mr. Chairman, for holding this hearing here in San Diego. And I want to thank the witnesses as well for their testimony.

First I'd like to direct my first question to Mr. Burns, and particularly thank you for being here to testify today. I mean, I understand and I want to make sure that it is clear that you are the only trauma center left in southern Arizona.

Mr. BURNS. That's correct.

Mr. KING. And my question with regard to that is can you imagine a scenario by which another health care provider would open up a trauma center in southern Arizona or is no trauma centers near the border the future for America?

Mr. BURNS. Well, I'll take the first question. Right now in talking to my colleagues in the marketplace, there are none at this time that are expressing an interest in opening up a trauma center.

As far as the second question, I don't know if I can answer that.

Mr. KING. And I would seek to do that, but I think the implication is adequate. And I have a sense of the kind of struggles that you have.

And then you talked about how when a truck wrecked and you had 13 IC patients and other outcare patients, I assume, that weren't quite so severely injured, filled up your IC unit. And I didn't hear in your testimony what the Tucson residents that support your facility do for intensive care service during a time when it's full.

Mr. BURNS. Well, first off, we're proud that we've not turned away any of the trauma reds. But there are times when we have to send patients to other locations. Sometimes up to Phoenix if we need to. That's rare, thankfully.

Regular emergencies, though, we work with a complex system with the other seven or eight hospitals in the community and we move patients to those locations as needed. But it does put an immense stress and there's a lot of background motion required to take care of that when that occurs.

Mr. KING. Do the residents of Tucson, do they let you know what they think?

Mr. BURNS. The residents of Tucson have been extremely supportive of UMC taking on the role as a sole level 1 trauma center. But the one thing that we do hear about are the longer waits that we have in our emergency department. Those have increased dramatically in recent years.

Mr. KING. Thank you, Mr. Burns.

And then turn to Sheriff Baca. And I'd ask you to fill out some numbers for me. Part of your response to one of the questions was, I believe that you have 12 percent illegals in Los Angeles County. Can you let me know what is that for a gross number? How many people?

Sheriff BACA. That would be about 1.2 million people.

Mr. KING. 1.2 million people. And so that would be from this side of the table representing about two congressional districts. We each represent about 600,000 people.

Sheriff BACA. Yes.

Mr. KING. And I'd point out that in our Census that we have every 10 years, we count people not citizens. And when we do that, we apportion congressional districts accordingly. And so the representatives who represent those districts with those kinds of numbers with illegals in there are also the representatives for noncitizens. And I wanted to just get a sense of this down here because I know what we think of that in Iowa. We think citizens should be represented in the United States Congress. I'm glad to hear that there's not—obviously some resent in this room, and I appreciate that.

And I thank you, Sheriff Baca. This is a very difficult task that you have in front of you. And I know I have a lot more questions, but I'd like to turn to Dr. Rector.

And if I could ask you, Dr. Rector, if you could give us a range of numbers of numbers that the Senate bill has passed would legalize into the United States, and maybe a low and a high and if you could span it over about 20 years because some of these kick in a little late?

Mr. RECTOR. Yes. The original Senate bill basically was what I would call stealth open border bill and it didn't tell anyone that what it did quietly was expand virtually every category of legal immigration so that the amnesty in it was just the tip of the iceberg.

Now when we review the level of immigration, which I believe was originally 100 million immigrants, there was an amendment by Senator Bingaman and it's now cut down so that I believe that the bill would now admit about 60 million immigrants to the U.S. over the next 20 years. Twenty of those are the core people that would be coming in under current law, another ten are the amnesty recipients. But then in addition it has roughly another 30, it more doubles the current rates of legal immigration and——

Mr. KING. And if I could quickly, Dr. Rector, then it's more or less immigrants?

Mr. RECTOR. Probably more. It's an open border bill. It is a truly astonishing bill. It basically says anyone that wants to come to the United States can come here without any limitation whatsoever. And it's not advertised that way, but I look at the details of what the bills actually do, and I think that's very——

Chairman SENSENBRENNER. The gentleman's time has expired.

The gentleman from Texas, Mr. Gohmert.

Mr. GOHMERT. Thank you, Mr. Chairman. And I appreciate your being here.

First I want to address very quickly the comments from my good friend Mr. Berman about we should have had this hearing before the immigration bill. Actually, as part of the Immigration Committee we have had hearings. And the reason that it's a good idea to have these now is we're at an impasse. We've got people in the Senate with a different idea and so if we're at a stalemate, what better time to come back and make sure where we are, are we doing the right thing and having additional hearings. And I'm not ashamed to say, yes, it's a McCain-Kennedy bill; it is. Apparently Senator McCain, as the saying goes, politics makes strange bed fellows and he chooses to crawl in bed with Senator Kennedy and we need to have hearings to see if it's appropriate to crawl in bed with Senator Kennedy.

And then with regard to my good friend Ms. Jackson Lee from Texas, she says we're here due to Republican infighting. I would submit it is a good thing for a party to have disagreement. That's a good thing. The real reason we are here is because the Democratic Party is in lockstep with their leaders, Senator Kennedy, Senator Reid and those folks. If they would be objective and have some disagreement among themselves, then we wouldn't have a need for this kind of hearing.

And as far as maligning a soldier of the United States, I was only in the Army for 4 years and I still have to say I love this Marine base. This is a great place to be. Nobody is maligning a soldier of the United States Army in these hearings. That is completely inappropriate and it's not happening.

I would like to ask quickly, Mr. Burns, from your hospital in Tucson do you do any obstetrics?

Mr. BURNS. Yes.

Mr. GOHMERT. Do you have any idea what percentage of babies born in 2005 were to mothers who were illegally here?

Mr. BURNS. I don't have that data, but certainly we could have——

Mr. GOHMERT. I have an obstetrician in Tyler which is hundreds of miles from the border of Texas up in northeast Texas tell me that perhaps 40 percent of babies born in Tyler last year were born illegally or to mothers who were illegally in the United States.

Let me just touch on one thing. There's a lot of talk about why immigrants are coming illegally to the United States; what should we do, how should we penalize people here. You really want to go to the real problem. It's not here, it's in Mexico.

Mr. BURNS. Yes.

Mr. GOHMERT. You know, why are they coming here? Why are people maligning the United States saying we're dividing families? It's Mexico that's dividing the families. And the incredible irony that's been going on around here, as an old judge and chief justice, we believe enforcing the law. This has been a nation of laws. And what has happened has been—if you'll bear with me, what has happened has been we have people coming in and saying we're having to leave Mexico because Mexico has not enforced their laws. It's been a nation where there is far too much corruption. So it's not because they have a lack of workers in Mexico. It's not because—they have incredibly good workers, they have skilled workers, they have incredible natural resources. The difference has been we have been a nation of laws and they have not.

So as a judge who sometimes—I've sent friends of mine to prison, I've sent children of friends of mine to prison and gone back in my office and wept because I knew the heartache involved. But I also knew that if they were not my friends and children of friends I would have sent them to prison and we had to apply the law evenly across the board. That's what's made America great.

And I'd be curious to know, Mr. Rector, I've just got a few seconds, what do you say we ought to do to put pressure on Mexico to be the kind of country and neighbor they ought to be?

Mr. RECTOR. Well, I don't—I think that the graph that Professor Cornelius has here is pretty telling. We look back over many, many years there's always a consistent wage difference between the

United States and Mexico. It seems to me that there will always be a huge incentive for people to come here. And the difference is that we've sent out a very strong message in the last 20 years that, hey, you can come here and we're not going to do anything about it. And a lot of this migration is what I would call social network learning. They've learned this is the deal. And until we begin to enforce not only the border, but more importantly to actually implement the 1986 law and to say——

Mr. GOHMERT. Yes, but those are things that we would do in this country. I'm looking for things to put pressure on our neighbor to do the right——

Chairman SENSENBRENNER. The gentleman's time has expired.

The Chair now recognizes himself for 5 minutes for some questions and a couple of comments.

First of all, I was a Member of the Immigration Subcommittee at the time that the Simpson-Mazzoli bill was written in 1985 and 1986. I voted against it in the belief that it didn't work, and I was right. It didn't work. Because we've gone from 2½ million to approximately 11 million illegal immigrants in this country. And that has led me to believe that it is important to do any immigration reform bill right. Because if we blow the second opportunity, the problems that are caused by the 11 million illegal immigrants that our witnesses have testified about will be multiplied by a factor of five to ten. And this country can't afford it.

And I think Mr. Issa hit the nail on the head that because of the way that the Simpson-Mazzoli bill failed, where we are welcoming immigrants is from one country. And if we do not control illegal immigration, we will end up shutting the door on legal immigration. And that would be turning the back on the history of this country. We should be a nation of immigrants and of laws. And if we don't enforce the laws, the type of immigration that we get will change dramatically from the type of immigration that has made our country great.

Now secondly, Simpson-Mazzoli failed because employer sanctions were not enforced. It's always cheaper to hire an illegal immigrant than it is to hire a legal immigrant with a green card or a United States citizen. And if we don't secure the border and enforce employer sanctions first, even if we give amnesty to the illegal immigrants that are already here, which I am opposed to, legalizing themselves will simply price themselves out of their jobs. So the legalization will end up failing or if it succeeds, there will be even increased waves of illegal immigrants coming across the border because the charlatans who are giving illegal aliens cheap jobs will continue to break the law. And that's why it's important to verify Social Security numbers and to increase the fines that people who are convicted of violating the employer sanctions law by hiring illegal immigrants high enough so that it actually acts as a deterrent rather than the cost of doing business.

Now, there have been a lot of allegations that we introduced a bill and we passed it a week later, and we did that. But there were 61 separate Subcommittee hearings held during my Chairmanship, which began in January 2001 that gave us the data from public witnesses to find out what we needed to do to pass an effective employer sanctions and border security bill. And we've got to do that

first. And if we don't do that first, then we're just going to make the same mistake of Simpson-Mazzoli all over again.

Now, one of the things that I'm particularly interested in, Sheriff, and I do have a comment and a question of you before you and Mayor Antonovich have to go, is that in this House bill but not in the Senate bill there is a $100 million of aid to the sheriffs of the 29 border counties in four States to put more boots on the ground, to provide better equipment, better training and to arm them better.

I know that you don't serve a county that is on the border. I think that what we're doing is a start. Does the Sheriff Association nationwide support the provision in the House bill for the $100 million in aid

Sheriff BACA. Not directly, sir. It basically is saying reimbursement is required in order for them to be a participant in any enforcement program. So I would suspect that it's yes on the context that funding will be provided, and that's your particular provision is on the plus side of what the National Sheriffs' Association would require.

Chairman SENSENBRENNER. Okay. The second question that I have is that currently there is a provision in law which I admit needs to be clarified that says that local law enforcement can enforce all Federal immigration laws. The Senate bill weakens that so that local enforcement can only enforce that Federal immigration laws which are criminal in nature and not those including illegal presence in the country that is a civil forfeiture if one is convicted of that. Do you believe that the Senate bill weakening the power of local law enforcement is a set backward and that it takes away one of the tools that you have?

Sheriff BACA. I think both bills on the question of local enforcement enforcement are in need of improvement. First of all, the National Sheriffs' Association and the Police Chiefs Association both do not believe that the laws of either Senator or congressional origin should say we're going to tell you you have to do this and we have no other option.

Chairman SENSENBRENNER. And neither of them do.

Sheriff BACA. Correct. But enforcing those that enforce the law is a big part of success which comes to enforcing any law.

Chairman SENSENBRENNER. Okay.

Sheriff BACA. And so the authority to go out and do this work is what's in dispute right now between both bills and those that are enforcing the law locally.

Chairman SENSENBRENNER. Okay.

Sheriff BACA. So we need to kind of work on clearing that point up. And each police chief and each sheriff want the ability to decide up or down whether they're going to participate.

Chairman SENSENBRENNER. Okay.

Sheriff BACA. They don't want a mandate coming down from the Federal Government on either side.

Chairman SENSENBRENNER. Okay. My time has expired.

There are no mandates in either bill, but there are differences in powers.

The gentleman from California, Mr. Bilbray.

Mr. BILBRAY. Thank you, Mr. Chairman, Mr. Chairman, I would thank you for allowing me to participate in this hearing, and I'd like to welcome you to my part of the world, San Diego. In fact, I was baptized about a 100 yards from this location and I guess it's been downhill for the church ever since.

Mr. Chairman, I think your feelings about the Simpson-Mazzoli that it was a failure is because you were thinking you were going to try to stop illegal immigration and try to encourage it. I'm sure that those that were looking forward to more illegal immigration thought it was a great success.

Sheriff, I had the privilege of working for over 18 years in local government. And one of the greatest local, State Federal cooperative efforts I saw was in drug interdiction was a thing called asset forfeitures. Would you agree that that was a good partnership system at fighting drug activity?

Sheriff BACA. Yes.

Mr. BILBRAY. Has anybody from the Sheriffs' Association or has anybody even talked about or do you have any comments about maybe we ought to be talking about doing the same thing with alien smugglers and the illegal immigration issue, and that is those assets that are involved in the alien trafficking business be confiscated and distributed to local governments just as we do with drug traffick?

Sheriff BACA. Obviously whatever the assets are that are obtained because of someone committing crimes should not be allowed to be in the hands of those who committed the crime. So whether it's an asset forfeiture program or not, the assets should be removed from those people.

Mr. BILBRAY. My point is that if local government participates in drug activity and that confiscation occurs, you get what, 80 percent? You get a large percentage?

Sheriff BACA. Yes. But where I have a little difficulty in the theory is that drug dealers deal in millions of dollars and I would have to say for what assets are you asking me to——

Mr. BILBRAY. I understand that. I think we're into racketeering and we're finding out that the traffickers in illegal immigration is not only in vehicles but also in real estate or whatever. I'm just looking at the fact that we have a model. It may not be as an effective a model, but it may be some reimbursement to law enforcement to law enforcement that doesn't exist now that's not being tapped appropriately. And I'm just trying to build on successes we've had in the past with cooperative efforts and maybe build a future cooperative effort.

Sheriff BACA. It would be part of the solution.

Mr. BILBRAY. Mayor of the County of the great County of Los Angeles, how much money are we sending out on the children of illegal aliens, the——

Mr. ANTONOVICH. The children that are born here?

Mr. BILBRAY.—birth right citizenship?

Mr. ANTONOVICH. $276 million a year.

Mr. BILBRAY. Who is the check sent to?

Mr. ANTONOVICH. It's sent to the mother because the child is unable to write their name.

Mr. BILBRAY. In other words, if the mother is here and illegal, you are sending a check to an illegal alien present in the United States——

Mr. ANTONOVICH. Right. That's correct.

Mr. BILBRAY.—and you are giving—so in other words, is the check written out into the name of the child or is to the mother?

Mr. ANTONOVICH. I would—that I don't know. But the child is eligible for that check for the 18 years of their——

Mr. BILBRAY. Okay. I'm just asking because I don't know of other—where else in the process that we would as a Government knowingly give public funds to somebody we've identified that we're violating the law at the time. Can you clarify that?

Mr. ANTONOVICH. I understand that it's written out to the parent.

Mr. BILBRAY. To the parent? So it's sort of an interesting concept that the Federal Government is watching local government pay somebody who is illegally in the country. And I appreciate that. And I appreciate that information. I think it's a legitimate issue.

Professor, your issue about the balance. I spent a lot of time in Latin America, too, about this wage scale. How much do we have to lower our wage scales or how far does Mexico have to raise it before this so called balance works out? Do we have to become third world or do they become first world? Somewhere down the line do they become more like America or we are going to become more a nation of a few rich and massive amounts of poor before it balances?

Mr. CORNELIUS. Well, as you can see from the graph the main factor that has increased the wage gap over the last 20 or more years is the fact that U.S. income, U.S. wages have been going up faster than Mexico. If the experience of Europe is any guide, they reduce their wage differential between the northern European states and the southern European states by about half in the 1980's. And that was sufficient to essentially shut off immigration from countries like Spain, Italy and Greece.

Chairman SENSENBRENNER. Okay. The gentleman's time has expired.

Two of our witnesses have to leave to get back to Los Angeles.

I would like to thank all of the witnesses for coming. This has been a very useful hearing.

Ms. JACKSON LEE. I would like to add something to the record, Mr. Chairman.

Chairman SENSENBRENNER. Without objection, the gentlewoman may put something in the record.

I'd like to thank the witnesses for appearing. Everybody has had the same amount of time to ask questions. And without objection, the hearing is adjourned.

[Whereupon, the hearing adjourned at 3:43 p.m.]

APPENDIX

MATERIAL SUBMITTED FOR THE HEARING RECORD

PREPARED STATEMENT OF THE HONORABLE ELTON GALLEGLY, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF CALIFORNIA, AND MEMBER, COMMITTEE ON THE JUDICIARY

Thank you for holding this important hearing, Mr. Chairman.

Before we begin, it is important to keep in mind what this debate is about. It is about enforcing our laws. Until the United States returns to its foundation as a nation of immigrants AND a nation of laws, discussion about any other aspect of immigration reform is irrelevant.

Here are some facts that demonstrate our lack of seriousness in terms of enforcing our immigration laws:

- The United States government is aware of over 10 million people working in our country with invalid social security numbers, most of whom are here illegally. Yet, they have taken no action against them, even though they know the name, address and phone number of employees and employers.
- The state of California currently subsidizes 90 percent of the cost of college education for illegal immigrants at state universities. This benefit, passed by our state legislature, is denied to U.S. citizens who have lived out of the state for just one year.
- The Los Angeles County Jail releases more than 21,000 criminals each year, the same day they are booked, because there is no space available in the jail. This is caused by the high number of illegal immigrants, estimated at 25 percent of the jail population.

For nearly 20 years, I have pushed the federal government to reduce the high number of illegal immigrants entering the United States. In 1995, then-House Speaker Newt Gingrich appointed me the Chairman of the Congressional Task Force on Immigration Reform. This bi-partisan task force produced a 250-page white paper which contained more than 80 specific recommendations on how to stop illegal immigration.

Unfortunately, although many of the task force's recommendations were included in the 1996 Illegal Immigration Reform Act, we are still seeing record numbers of illegal immigrants entering our country, because our laws are not enforced, even though we have tripled our enforcement budget in the past ten years.

The failure to secure our borders has been expensive. According to figures supplied by the Center for Immigration Studies (CIS), the net cost of providing government services to illegal immigrants is $3 billion a year in California alone. CIS estimates this cost will increase significantly if the estimated 12 million illegal immigrants currently in our country are granted amnesty.

In order to reduce illegal immigration, we need to take several common sense steps. The first step is to increase our presence along the border. We need to increase the number of beds available to hold illegal immigrants so that the Border Patrol does not simply arrest illegal immigrants and give them a notice to appear in court. We know that 96 percent never make their court appearance.

Although increased interdiction at the border is important, we also need to recognize that illegal immigrants come here looking for work and benefits. If we stop illegal workers from finding and holding onto jobs, they will be far less likely to come here in the first place.

We know what needs to be done to accomplish this. We need to make the Basic Pilot Program mandatory for all employers. We need to eliminate public housing and other benefits for illegal immigrants. We need to curb the use of matricula con-

sular cards that make it easy for illegal immigrants to find work and open bank accounts.

This helps provide the largest foreign aid program in the world in the form of remittances (money sent mainly by illegal immigrants back to Mexico), estimated to be in excess of $25 billion. Currently, it is a major source of revenue to the Mexican economy. It is no wonder Mexico is critical of any thing we do to stop illegal immigration

We know what needs to be done to reduce illegal immigration, Mr. Chairman. All we need is the political will to do it.

Mr. Chairman, thank you again for holding this hearing. I yield back my time.