

The Fiscal Burden of Illegal Immigration

On United States Taxpayers 2023

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A FEDERATION FOR AMERICAN IMMIGRATION REFORM RESEARCH REPORT

Contents

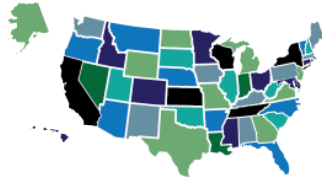
INTRODUCTION	1
PART I: FEDERAL EXPENDITURES AND RECEIPTS	6
Education	7
Medical Costs	11
Justice Enforcement	16
Welfare Costs	23
Overall Federal Fiscal Costs before revenue	29
Income Tax	31
Other Taxes	36
PART II: STATE AND LOCAL EXPENDITURES AND RECEIPTS	41
Education	42
State Medical Costs	46
Administration of Justice	51
State Welfare Programs	55
Total State Expenditures	58
State and Local Taxes Collected	59
PART III: TOTAL FEDERAL AND STATE FISCAL OUTLAYS	66
ENDNOTES	68

The Fiscal Burden of Illegal Aliens on U.S. Taxpayers

Total Governmental Expenditures on Illegal Aliens



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Total Federal Expenditures

\$66,449,136,000

Total State & Local Expenditures

\$115,608,730,000

Total National Expenditures

\$182,057,865,000

Total Tax Contributions by Illegal Aliens



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Total Federal Taxes Paid

\$16,219,495,000

Total State & Local Taxes Paid

\$15,172,140,000

Total Tax Contributions

\$31,391,635,000

Total Fiscal Burden of Illegal Aliens



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\$150.7
BILLION

Total National Expenditures

\$182,057,865,000

Total Tax Contributions

\$31,391,635,000

Total Burden on Taxpayers

\$150,666,230,000

Total Fiscal Burden of Illegal Aliens on U.S. Taxpayers:

\$150,666,230,000

Introduction

This report is currently the only comprehensive examination of the financial impact of illegal immigration in the United States. Every day, hundreds of millions of dollars in American taxpayer money are spent on costs directly associated with illegal immigration. Only a small fraction of these costs is ever recouped from taxes paid by illegal aliens, with the rest falling on the shoulders of American citizens and legal immigrants.

Our aim in this report is to show the American people the fiscal burden of illegal immigration at every level and across nearly all aspects of life. These costs range from emergency medical care to in-state tuition; from incarcerating illegal aliens in local jails to federal budgets that pay out billions in welfare every year. Because there are so many different ways that money is spent on illegal aliens at both the state and local levels, the information in our report is otherwise hard to find (or even intentionally hidden). This report supersedes FAIR's 2017 cost study¹ and highlights massive increases in spending related to illegal immigration that were implemented while American citizens deal with an uncertain economy.

Why does this matter?

Put simply, almost all expenses associated with illegal immigration are preventable. Illegal immigration's annual net burden on the economy, now more than \$150 billion, is greater than the annual GDP output of 15 U.S. states.² There is a strong correlation between the security of America's borders and the rate at which the cost of illegal immigration increases. With proper border controls and the enforcement of laws already on the books, the cost of illegal immigration would be greatly reduced.

The period since FAIR's last fiscal burden study in 2017 has not been easy for the American people. A global pandemic and economic disruptions have drastically raised the prices of necessary goods and services, and has contracted the jobs market so that many citizens remain without gainful employment. Because these factors are also global, the U.S. remains a magnet for foreign nationals who wish to compete for the jobs and benefits that American citizens rely on. While millions of Americans are struggling to put food on the table and hold gainful employment, we believe they deserve to know where their federal, state, and local tax dollars are going.

Overview

This report examines the annual fiscal impact of illegal aliens on at both the federal and state levels. FAIR used the most recent data available and accounted for new programs and legislative/policy developments up to the end of 2022. Significant temporary spending related to illegal immigration, like aid programs during the COVID-19 pandemic, also took place during the study period. While we do highlight COVID-related costs, they are not included in our overall totals because of their temporary nature, and this report strives to paint a picture of more static costs.

This project contains extensive analysis of both federal and state/local spending on many fronts, reflecting the nationwide scope of illegal immigration. From public schooling and postsecondary education programs, to welfare and healthcare costs, we account for as many known costs as possible. This wide scope is important, as the highest costs often occur outside of traditional illegal alien destinations.³

In total, the gross cost of illegal immigration now total \$183 billion, up more than 35.7 percent since 2017. The cost incurred per illegal alien (including their U.S.-born children) has increased as well, now totaling \$8,776 annually.

Because this report covers the full fiscal impact of illegal immigration, it also includes the contributions of illegal aliens to the economy. These include tax payments made directly to state and local jurisdictions, the federal government, as well as excise, property, and sales taxes. However, these receipts fall far short of covering the expenses incurred due to illegal immigration. Taxes paid by illegal immigrants only covered around 17.2 percent of the costs they created for American citizens.

When the taxes paid by illegal aliens are factored in, the net cost of illegal immigration to U.S. taxpayers is now \$150.7 billion. This means that each American taxpayer shells out a net average of \$956 (or \$1,156 before the taxes paid by illegal aliens are factored in) due to illegal immigration.⁴

What's Changed

Since our 2017 report, the immigration landscape has shifted significantly. The Trump administration engaged in an aggressive approach towards combatting illegal immigration, which increased spending on security but also tempered the growth of other federal expenses tied to illegal immigration. However, even this slower growth was offset by an increase in states expanding programs available to illegal aliens like in-state tuition and certain medical benefits. In many cases, these expansions were a reaction to those administration policies, but they have continued to broaden in scope under the Biden administration.

Currently, under the Biden administration, the U.S. is experiencing a full-fledged migration crisis. The

illegal alien population is expanding rapidly after drastic cutbacks to border security, with monthly encounters hitting all-time highs. The administration is now attempting to redirect additional border security funding to expand migrant processing initiatives that have, so far, only spurred additional illegal immigration. Another new program is set to allow tens of thousands of illegal aliens to fly directly into the United States monthly under “humanitarian parole.”

This self-imposed crisis is only driving the costs associated with illegal immigration even higher. States like Texas and Arizona have been forced to spend huge sums to compensate for reduced federal law enforcement presence on the border. Meanwhile, the federal government and states like California and New York alike are increasing illegal alien access to taxpayer-funded benefits.⁵ Various policy shifts have made it harder to obtain data on these increases in spending from the federal government, but FAIR has exhaustively analyzed the effects of our ongoing illegal migration crisis in this report. The net result has been a sharp increase in the fiscal costs of illegal immigration under the Biden administration that shows no signs of slowing down.

A Note on the Lack of Transparency in Government Data Reporting

Information transparency is essential to good governance. It encourages a well-informed citizenry to hold their elected officials responsible and motivates those officials to implement policies that benefit their constituents instead of special interest groups. Furthermore, citizens have the right to know pertinent information, presented in a clear and comprehensible manner, on issues that impact them. Unfortunately, there is a concerning lack of transparency and openness when it comes to the issue of illegal immigration.

While preparing this study, we often had to grapple with a paucity of easily accessible official data. Many state and federal entities do not publish detailed data that they collect, making it difficult to reliably separate illegal aliens from citizens or lawful immigrants in many of the fields covered in this report. We have also encountered cases where the current administration has revoked or restricted documents published by previous administrations in order to reduce the visibility of data which shines a negative light on their immigration policy agenda. Extremely helpful publications like the Alien Incarceration Report, which documented foreign criminals in custody in the United States, are no longer updated under the Biden administration. This kind of subtle de facto censorship is highly unethical and does not serve the interests of the American public.

Thankfully, we were able to find most of the necessary information to complete this study by analyzing existing databases and publications from the federal and state/local governments as well as other reputable organizations and academic institutions. However, as is noted throughout this report, there were a few instances where we were unable to obtain enough data to make reliable estimates. For

example, illegal immigration imposes a significant direct cost on the United States in the form of gang-related crime and trafficking of drugs and humans, but thanks to jurisdictional differences and “sanctuary” policies that protect criminal illegal aliens in many states or localities, this cost often remains a “known unknown.” For other topics, like post-secondary education, we had to stitch sources together and create new methodologies in order to calculate our estimates because, while the relevant data is tracked, it is fragmented across different sources.

So, why are Americans being kept in the dark? Primarily because the political and ideological influence of the open-borders lobby, both within and outside the federal government, holds significant sway over the Biden administration and many state governments. This “hear nothing, see nothing, say nothing” attitude is rooted in the hope that if the American public doesn’t have easy access to valid information regarding the impacts of illegal immigration, they will accept the lie that no problem exists.

In carrying out this study, FAIR is advancing the belief that the American people have a right to transparent and accurate information so that they are fully informed of what is occurring in their country and how much it costs them.

Summary of Methodology

FAIR made every effort to source the data in this report from government agencies and testimony from government officials, using these as the foundation of our estimates. When official data is unclear or unavailable, FAIR looked to research generated by credible, non-partisan organizations and academic institutions. On the rare occasions that a calculation must be estimated and/or assumed, we offer a detailed reasoning for the estimation so that readers can examine the relevant information and judge our conclusions for themselves. For the sake of maximum accuracy, we have noted various areas where we believe it is impossible to estimate a cost.

Throughout this study, we have taken caution to never overestimate totals, and have chosen to err on the lower side of cost estimates, and the higher side of tax contributions, when our calculations resulted in a range instead of a static figure. We do this to ensure that our cost figures do not extend beyond what the evidence can empirically prove. Combining this with the fact that there are some costs that cannot be reliably estimated, it can be safely assumed that the actual cost of illegal immigration is considerably higher than the final tally offered here. Given current trends – rapidly increasing illegal immigration, increased federal and state government spending, inflation, and the fact that numerous state benefits are set for expansion to unauthorized migrants – the fiscal burden of illegal immigration is sure to grow even higher in the near future.

Every effort was made to find and utilize the most recent data available as a basis for calculations; thus, the majority of the data is drawn from sources covering between fiscal years (FY) 2020 and 2022. However, the COVID-19 pandemic, and the massive government spending binge it caused, complicated our calculations. In cases when spending on various programs was sharply but temporarily increased during the pandemic, we preferred to utilize pre-pandemic data and adjust accordingly for inflation and/or other developments in order to paint a more accurate picture of the static costs. We do not include pandemic-related spending measures unless they were enacted as permanent programs. However, we make a point to highlight these costs in their relevant sections so that readers are aware of their impacts.

An essential part of our calculations relies on FAIR's latest illegal alien population estimate, which is 15.5 million (20.9 million when the U.S.-born children of illegal aliens are included) as of the beginning of 2022.⁶ Our estimate is higher than those offered by most mainstream immigration research organizations, most of which stick to the oft-repeated "10-11 million" figure, despite record illegal immigration over the past couple of decades and even further surges over the past few years. Most mainstream estimates fail to take into account the constant rate of growth in this demographic, overestimate the outflow rate of illegal aliens, and/or have deceptively lowered the rate at which they believe the U.S. Census Bureau undercounts illegal aliens. Moreover, for ideological reasons, many groups also misclassify the increasing influx of unaccompanied alien minors (UAMs), Temporary Protected Status (TPS) recipients, Deferred Action for Childhood Arrivals (DACA) beneficiaries, and parolees as being in the United States "legally." This is a dishonest characterization because such individuals have not received any lawful immigration status. Rather, these illegal aliens have merely received temporary and discretionary reprieves from removal and lack a clear pathway to citizenship.

Finally, it's important to note that FAIR includes costs incurred by the minor, U.S.-born children of illegal aliens, as these costs are fully attributable to their parent's unlawful residence in the United States. Many mass-immigration apologists claim that this is an unfair inclusion, as the estimate does not include any long-term contributions made by these minors once they become adults. However, further research has demonstrated that the children of migrants – especially illegal aliens – no longer see significant economic improvement as was the case several decades ago.⁷ Therefore, if we did attempt to account for their future tax contributions, we would also need to account for their reliance on state and federal benefits programs. This would likely only serve to increase our cost estimates further, not drastically lower it as many open border advocates insist.



Part I: Federal Expenditures and Receipts



Federal Education Costs

Education

Primary and Secondary Education (Title I-A) \$3,020,696,000

The “Every Student Succeeds Act” Title I, Part A (ESEA Title I-A) provides for grants of supplemental federal funding to increase educational opportunities for and improve the academic performance of children from low-income families, among whom illegal aliens and their children are disproportionately represented. Approximately 47 percent of all K-12 students in the country qualify for these grants either individually or on a schoolwide basis.⁸ In 2022, just over \$17.5 billion was budgeted for this program.⁹ Based on FAIR’s income profile for illegal aliens, the vast majority of the children of illegal aliens will fall within the economic eligibility criteria applicable to this program.

FAIR estimates that as of 2022, after years of unprecedented illegal immigration and a surge in unaccompanied minors arriving in the United States, approximately 5 million K-12 students in the United States are illegal aliens or the children of illegal aliens.¹⁰ Furthermore, this population is heavily overrepresented among Title I-A recipients due to their families’ lower income levels, comprising nearly 20 percent of total recipients by our estimates. Using calculations based on this proportion and the program’s overall budget, FAIR estimates that approximately \$3 billion is spent annually on Title I-A grants to K-12 students linked to illegal immigration.

Limited English Proficiency (LEP) – Title III **\$580,895,000**

The federal government provides Title III-A grant funding to the states based on census data on school-age limited English proficiency (LEP) youth. This funding is dedicated to improving English-language acquisition for students whose native language is not English. According to U.S. Department of Education data, \$831,400,000 was allocated in FY 2022 in support of supplemental English language instruction.¹¹ Of that amount, \$764,335,990 was distributed to states based on the number of English learners in their schools.

In FAIR’s recent report on education, we estimated that in 2020 approximately 3.6 million LEP students in American schools were either illegal aliens or the children of illegal aliens.¹² Due to unchecked illegal migration and the arrival of unprecedented numbers of unaccompanied minors, we now estimate that the number of students connected to illegal immigration has increased to approximately 3.8 million.¹³ This represents 76 percent of LEP students in the U.S. Based on the per-student costs detailed in our aforementioned study on education, it can safely be estimated that illegal aliens and their children account for almost \$581 million in Title III-A funding in FY 2022.

Migrant Schooling (Title I-C) **\$239,418,000**

The Migrant Education Program (MEP) was established in 1966 as part of the Elementary and Secondary Education Act. Its goal is to help migrant students who move between different areas inside of the United States regularly during the year receive an adequate education and meet academic standards. These students often face challenges to learning because they may interact with inconsistent curricula and are not settled long enough to meaningfully engage with their schools. The federally appropriated funds for this program were \$423,749,000 in FY 2022.¹⁴

The U.S. Department of Education indicates that the primary beneficiaries of the MEP program are “the children of migrant agricultural workers and fishers.”¹⁵ The majority of migrant agriculture and fisheries workers are illegal aliens — approximately 56.5 percent — according to a study conducted by the Pew Research Center.¹⁶ Therefore, using these assumptions as a basis for our methodology, FAIR estimates that approximately \$239,418,000 of the MEP budget goes to educating the children of illegal aliens.

Head Start **\$2,768,080,000**

The federal Head Start and Early Head Start programs combine federal funding (\$11.037 billion budgeted for FY 2022) with local matching funds. There is little data on the exact enrollment of illegal-immigration-connected participants in these programs, but children with a non-English home language make up at least a third of total Head Start enrollment.¹⁷ In FAIR’s most recent study of education

costs, we determined that approximately 76% of LEP students in primary and secondary education nationwide are the children of illegal aliens. While illegal alien participation in Head Start is likely to be somewhat lower because of a general reluctance to engage with federal aid programs in many cases (as noted elsewhere in this report), this is counterbalanced by a higher poverty rate that increases the likelihood they will be eligible. Using a conservative estimate that the proportions are the same for illegal alien households with children, which correlates with the generally low English proficiency rates of illegal aliens, we estimate that around 25% of Head Start enrollment pertains to the children of illegal aliens. This means that the total federal Head Start expenditures attributable to illegal immigration are well over \$2.7 billion.

COVID-19 Relief Funds

The use of pandemic relief funds for illegal aliens and their children in schools was also noted in FAIR's recent report on the excessive costs that bilingual education imposes. The COVID-19 pandemic had particularly heavy impacts on LEP students, the vast majority (76 percent) of whom are illegal aliens or the children of illegal aliens. Most LEPs do not have an English-speaking home environment to maintain their limited skills during periods of online schooling. As a result, school districts across the country were burdened with dedicating millions of dollars of COVID-19 relief funds to special bilingual/LEP programs that do not serve the general student population.



Throughout the pandemic, Congress passed three different relief packages: the Elementary and Secondary School Emergency Relief (ESSER) Fund packages I and II, and the American Rescue Plan (ARP). These programs awarded grants to address the impact of pandemic shutdowns on schools.¹⁸ In total, schools received around \$189.5 billion, an unprecedented level of federal spending, for various programs. The ARP ESSER funds for education, totaling \$122 billion, specifically require states to set aside 5 percent, and districts 20 percent, of the received funding for “most affected students,” specifically mentioning LEPs multiple times.¹⁹ This means a huge allocation of limited funds went to assisting LEP students, mostly the children of illegal aliens, at the expense of taxpayers.

In addition, many districts spent large chunks of discretionary relief funding on services specifically for LEP students. Fairfax County Public Schools in Virginia, for example, spent \$2,681,449 of ARP funds on LEP-specific services with no relevance to the general student population.²⁰ The same is true for dozens of other school districts as well. The total cost of this relief spending giveaway for illegal aliens is split across thousands of school

districts that compile budgets in different ways and is likely incalculable. If ascertained, however, it would likely be included as one of the single largest education-related costs of 2020 and 2021 that illegal aliens imposed on the American taxpayer. Since it is impossible to decipher to what degree funds were used for the education of illegal aliens, and since these are not regular annual expenses, we do not ascribe a total to this cost. However, it is something worth noting as it certainly resulted in a temporary – but significant – burden on U.S. taxpayers.

Total Federal Educational Expenditures:

Primary and Secondary Education - Title I-A	\$3,020,696,000
Limited English Proficiency (LEP) - Title III	\$580,895,000
Migrant Schooling (Title I-C)	\$239,418,000
Head Start	\$2,768,080,000
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Total	\$6,609,089,000



Federal Medical Costs

Medical Costs

Most (but not all) illegal aliens are, as a matter of law, barred from receiving welfare benefits through targeted aid programs that are jointly administered by states and the federal government. This bar was put in place by the 1996 Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA).²¹ The PRWORA states that “aliens who are not qualified aliens” are ineligible for “federal public benefits” and for “state and local public benefits.” The act defines a qualified alien as any immigrant “who is lawfully admitted for permanent residence under the Immigration and Nationality Act,” or who meets at least one of several other exceptions listed in Section 431 of the Act. These exceptions cover many people who are unlawfully present in the United States but have been granted deferred action through programs such as parole with a set term of at least one year, TPS, and several other categories.

In addition, many states still provide subsidized healthcare services to illegal aliens (more on these programs can be found in the part of this report that covers state healthcare). These programs technically do not violate the terms of PRWORA if they are solely funded by state taxpayers. However, the diversion of state taxes into these types of programs often result in larger state requests for federal budget assistance, as including low-income illegal aliens often make states eligible for additional federal

grants. Much of this assistance is provided in the form of supplemental healthcare funding distributed to state providers.

Medicaid is a joint federal and state program that provides healthcare coverage to children, pregnant women, senior citizens, and individuals with disabilities, among others. While most illegal aliens are technically excluded from full Medicaid programs, they may still receive Medicaid coverage for prenatal and obstetric care. These services are provided based on the idea that the unborn child, rather than the illegal alien mother, is the one receiving medical treatment. In addition, under the current interpretation of the 14th Amendment to the Constitution, the U.S.-born children of illegal aliens are natural-born U.S. citizens. Quite often, they are also considered “targeted low-income children” eligible for Medicaid and other federal medical assistance programs.

Finally, it is unclear if the thousands of illegal aliens paroled into the country by the Biden administration will become eligible for Medicaid and other federal benefits. Paroled illegal aliens can receive certain benefits if the terms of their release is for a period of at least one year, but there is little information on whether these parolees from the border are receiving any set term lengths at all, and what federal benefits are being extended to them.

Uncompensated Hospital Expenditures \$8,153,000,000

In 2017, the federal outlay to help cover uncompensated care provided to uninsured individuals was approximately \$21.7 billion annually. Assuming these reimbursements occur at a similar rate today, that accounts for approximately \$26.3 billion.²² The national uninsured population of all ages was 26.4 million in the first quarter of 2022.²³ According to a 2019 estimate from the Migration Policy Institute, a little over half (53 percent) of the illegal alien population in the United States is uninsured.²⁴ This proportion would suggest, according to FAIR’s most recent estimates of the Illegal aliens population, that roughly 8.2 million of the illegal aliens currently in the country do not have insurance coverage, making up approximately 31 percent of the total uninsured population.²⁵ If uninsured illegal aliens are assumed to require healthcare at a rate similar to other uninsured persons, they would make up approximately \$8.2 billion of the uncompensated hospital expenditures in the United States.

Medicaid Births \$1,596,902,000

After rising rapidly since the 1980s, births to illegal alien mothers dropped along with the overall birth rate during the Great Recession (2008-2010). Since then, the numbers have held relatively steady. The Center for Immigration Studies (CIS) estimated that in 2014, illegal alien mothers in the U.S. gave birth to 297,000 children, or 7.5 percent of total births.²⁶ In 2020 (the most recent year for which statistics are available), foreign-born mothers accounted for 22 percent, or 790,041, of the nationwide total of about 3.6 million births.²⁷

Medicaid paid for 42 percent of all births in 2020.²⁸ However, a study published in 2018 found that 48 percent of foreign-born women had their births paid for by Medicaid, compared with 42 percent of native-born mothers.²⁹ This would mean that Medicaid covered the costs of approximately 377,000 births (48 percent) to foreign-born mothers. The cost of those births is shared between the federal and the state taxpayer. The total cost depends on the type of delivery and whether complications occur.

We assume that the birthing costs incurred by illegal alien mothers will be roughly similar to legal immigrant and native mothers. According to past medical research conducted in Colorado, illegal alien mothers “have lower rates of pre-term delivery and low birth weight infants, but higher rates of pregnancy related risk factors.” These risk factors are offset by other factors, such as illegal alien mothers consuming less tobacco and alcohol than the national average, lower hypertension rates and other factors.³⁰ Based on the birth rates observed in the Colorado study, this indicates that roughly 201,960 (68 percent) of current illegal alien births were natural, and 95,040 (32 percent) were surgical. Again, these rates suggest that the average costs for illegal aliens will be similar to the overall national average.

The federal share of the expenditure varies among states, averaging out to approximately 63 percent overall. Thus, to determine the cost of illegal aliens using Medicaid to fund births, we remove the percentage of illegal aliens believed to have some form of health insurance, which is approximately 47 percent. The uninsured remainder comes out to 157,410 births — 107,038 naturally, and 50,371 by surgical intervention. With natural births costing \$13,024 on average and surgically-assisted births averaging \$22,646, the total, combined state and federal expenditure for obstetric medical costs is approximately \$2,534,764,578.³¹ With 63 percent of these costs being covered by the federal government, the total federal cost comes out to \$1.6 billion.

This estimate is certainly on the conservative side of reality. In 2007, a report in the *Journal of the American Medical Association* found that “... a little-known part of the state-federal health insurance program for the poor,” known as Emergency Medicaid, “pays about \$2 billion a year for emergency treatment for a group of patients who, according to hospitals, mostly comprise illegal immigrants. Most of it goes to reimburse hospitals for delivering babies for women who show up in their emergency rooms, according to interviews with hospital officials and studies.”³² A portion of this expenditure is attributable to the \$1.6 billion Medicaid spends on illegal alien births. However, there is little recent data regarding what percentage of that \$2 billion expense covers emergency obstetrical services for illegal aliens (given both inflation and increased Medicaid spending since then, this figure is certainly much higher now). Without further data, FAIR is unable to estimate a reliable value for this additional expenditure.

Improper Medicaid Payments

\$7,997,566,000

The total amount of improper Medicaid payouts in the United States during FY 2022 was approximately \$80.6 billion, or 15.6 percent of total outlays.³³ By contrast, Medicaid Fraud Control

Units (MFCUs) were able to recover only \$1.7 billion in FY 2021 (when improper payments were \$99 billion, 22 percent of total outlays), around 1.7 percent of the total improperly paid.³⁴

Assuming that uninsured illegal aliens receive improper Medicaid payouts and/or commit Medicaid fraud at the same rate as U.S. citizens — a very conservative estimate, considering illegal aliens are both more likely to commit document-related fraud and have greater incentive to commit Medicaid fraud — there would be approximately 1,284,508 illegal aliens receiving improper Medicaid payouts each year. The average improper Medicaid payout per-person comes out to approximately \$6,226, meaning the overall annual total loss attributable to illegal aliens is approximately \$8 billion.

Medicaid for U.S.-born Children of Illegal Aliens **\$5,385,007,000**

U.S. citizens and Lawful Permanent Residents (green card holders) are eligible for Medicaid benefits; therefore, the U.S.-born children of illegal aliens are eligible for Medicaid. While these children were born in the United States, they would not be present in the United States had their parents not entered the U.S. illegally or overstayed a visa. These children are typically classified as low-income (see FAIR’s income profile of illegal aliens in this report). Because of this, they represent a significant burden on the U.S. Medicaid program.

There is a strong correlation between uninsured status and low income.³⁵ The vast majority of uninsured people in the United States are low-income earners, for the simple reason that it is more difficult for low-income individuals to afford health insurance and low-wage jobs are likely to offer fewer health benefits.³⁶ Therefore, low-income families depend more on government healthcare programs to pay for any medical treatment that they require.

Per federal guidelines, in order to be eligible for Medicaid on the basis of low income, children must be members of a family earning an income less than 138 percent of the federal poverty level (FPL). States have the option to extend Medicaid coverage to those whose income is too high to qualify under federal guidelines, but most states have set their guidelines at 138 percent of the FPL.³⁷ The average family headed by an illegal alien falls around or below the FPL, and therefore their U.S.-born children will be eligible for Medicaid. Many other illegal aliens are likely utilizing various methods of fraud to improperly obtain Medicaid, as regularly occurs with other federal benefit programs.

At least 53 percent of illegal alien households are uninsured, meaning that approximately 2.83 million U.S.-born children of illegal aliens are without insurance.³⁸ Based on the foregoing evidence, FAIR estimates that approximately 75 percent of these 2.83 million U.S.-born children of illegal aliens (2.1 million) are eligible for, and receiving, Medicaid as members of



low-income households, a similar rate to households with a non-illegal head of household. This accounts for the few illegal alien families whose income is in fact too high to qualify, as well as others who avoid interacting with federal programs to maintain a low profile.

Per the Medicaid and CHIP Payment and Access Commission, average Medicaid spending per enrolled child in 2020 was \$3,500.³⁹ Adjusted for inflation, the total today is now around \$4,030. This would make the annual Medicaid spending on the U.S.-born children of illegal aliens about \$8.5 billion. The federal share of that expenditure (63 percent) is about \$5.4 billion annually, with the remainder being a cost borne by the states (see the state and local portion of this report for those totals).

Affordable Care Act (ACA)

The ACA allows for eligible individuals to apply for various levels of federally subsidized healthcare, depending on their annual income. While most illegal aliens do not qualify for coverage under the ACA, some with certain designations and deferments do. These categories include those with TPS, Deferred Enforced Departure (DED), Deferred Action Status (other than DACA), victims of trafficking, some asylum applicants, and several other categories.⁴⁰

Data is lacking on exactly how many individuals fall into each of these categories. However, when taking maximum estimates from various immigration agencies and organizations, it is estimated that somewhere between 500,000 and 1 million illegal aliens fall into an immigration category covered by the ACA. Unfortunately, without more information regarding the total number of illegal aliens that qualify for coverage along with their income levels, family size, and/or participation in other programs covered by this report, it is impossible to estimate how many illegal aliens participate in the ACA, and what level of federal subsidy they receive. However, this number is almost certainly substantial, and the federal government should be reporting the extent to which those who entered the country illegally participate in this program.

Total Federal Medical Expenditures

Uncompensated Hospital Expenditures	\$8,153,000,000
Medicaid Births	\$1,596,902,000
Medicaid Fraud	\$7,997,566,000
Medicaid for U.S.-born Children of Illegal Aliens	\$5,385,007,000
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Total	\$23,132,475,000



Federal Justice Costs

Justice Enforcement

Immigration enforcement constitutes a significant portion of the overall federal law enforcement budget. Because every crime committed by an illegal alien is inherently a preventable crime, immigration has a broad effect on justice expenditures beyond the costs directly involved in securing the borders and managing ports of entry. Therefore, this report separates federal immigration enforcement expenditures into two categories: 1) the cost of securing the border, managing ports of entry, and processing/removing immigration violators from the interior; and 2) the cost of prosecuting/incarcerating federal criminal aliens and subsidizing state and local law enforcement expenses connected with illegal immigration (e.g., housing illegal aliens in local jails, information-sharing costs, etc.)

Most of these expenditures cannot be eliminated as long as the United States remains the most common destination for illegal migrants. However, many of them could be drastically reduced by the construction of a functional border barrier, the implementation of effective deterrents to illegal immigration, and the comprehensive detention and removal of criminal aliens living in the United States. In addition, the refusal of many countries to accept their own citizens when they are deported from the United States also increases costs to the American taxpayer.⁴¹

Federal Incarceration

\$1,670,374,000

The illegal alien population consists of both those aliens who entered the United States without authorization and those who entered the United States lawfully but overstayed their authorized period of stay. Illegal aliens are subject to removal from the United States simply because they are present in the United States without authorization. However, many illegal aliens come to the attention of DHS only when they are arrested for the commission of a crime.

Legal immigrants are also subject to deportation if convicted of certain crimes. However, data indicates that these immigrants tend to commit crimes at a lower rate than illegal aliens.⁴² This is unsurprising since the very concept of illegal immigration requires a certain level of disrespect for the laws of the destination country. We include costs of incarcerating legal immigrants if their convictions are likely to lead to the loss of their immigration status.

Illegal aliens who come to the U.S. for economic gain often commit crimes such as identity theft or using fraudulent documents to work illegally, unlicensed driving, tax evasion, and/or unlawfully obtaining public benefits. Moreover, many illegal aliens cross the border without authorization specifically for the purpose of engaging in criminal activity within the U.S., such as drug and human trafficking. Conversely, legal immigrants have a greater incentive to avoid criminal behavior due to the possibility of losing their hard-earned legal status if convicted.

The majority of illegal immigrants who are convicted of crimes are prosecuted in state courts and confined to state correctional facilities to serve out their sentences. These expenses are addressed in the section of this report covering the state costs of illegal immigration. By contrast, the population of foreign-born individuals incarcerated in Federal Bureau of Prisons (BOP) facilities tends to include more illegal aliens than foreign-born populations incarcerated in state prisons.⁴³ This is because the federal government has exclusive jurisdiction over immigration-specific crimes. Therefore, both legal and illegal migrants convicted of criminal violations of the INA are confined to federal prisons. Illegal aliens who have been taken into custody by the federal government and placed in deportation proceedings will also be held in federal detention facilities. Both BOP and ICE maintain such

facilities. This section addresses BOP costs as well as costs borne by the US Marshals Service (USMS), which detains many illegal aliens before trial and before sentencing. The following sections on ICE expenditures include the costs of detaining aliens in facilities owned and operated by that agency.



BOP statistics indicate that by the end of 2022, the number of alien inmates in BOP custody is 25,608, a number that has been slowly increasing since many prisoners were released during the COVID-19 pandemic.⁴⁴ A 2019 report by the Department of Justice estimates that 94% of alien inmates in BOP custody have no claim to lawful status.⁴⁵ The cost to incarcerate federal inmates has increased markedly in the past few years, with the FY 2020 figure of \$39,924 per inmate being an approximate increase of \$4,500 from the previous fiscal year.⁴⁶ While the COVID-19 pandemic has delayed the release of the most recent statistics on the cost of incarceration, generously assuming a similar figure to FY 2020 would imply annual costs of over \$1 billion for alien BOP inmates alone.

The USMS also incurs significant costs related to illegal aliens because they are responsible for much of federal pre-trial and pre-sentencing detention. While USMS custody is more short-term, it also sees much higher annual numbers than the BOP. Approximately 37 percent of individuals in USMS custody at any given time are illegal aliens, with 98 percent of that group being criminal illegal aliens.⁴⁷ This high percentage of illegal aliens in USMS custody and USMS's consistent custody numbers year-over-year translate to approximately \$648 million in annual spending on custody and transportation for illegal aliens.

Enforcement and Removal Operations (ERO) \$4,118,902,000

The branch of DHS responsible for interior enforcement of the Immigration and Nationality Act is U.S. Immigration and Customs Enforcement (ICE). Within ICE, the office most directly involved in the arrest and deportation of illegal aliens is the Office of Enforcement and Removal Operations (ERO). ERO is responsible for apprehending illegal aliens and placing them in removal proceedings, detaining aliens who are a flight risk, and effectuating the removal of aliens ordered deported by U.S. immigration courts or federal district courts. To accomplish its mission, ERO works with state, local, and other federal law enforcement agencies to identify and process illegal aliens. This includes lodging “detainer” requests with state and local agencies to ensure that criminal illegal aliens are transferred into DHS custody, especially when those jurisdictions have entered into 287(g) agreements with ICE that allow local and state officers to assist with immigration law enforcement.⁴⁸

ERO also liaises with the Federal BOP to ensure that illegal aliens being held for ICE pending immigration hearings are processed appropriately. In addition, ERO works with BOP to make sure that illegal aliens incarcerated for federal crimes are promptly deported when their sentences are completed. ERO activities incur a broad range of annual expenses, including holding aliens in DHS-operated detention facilities, or leased facilities. The FY 2021 budget for ERO was about \$4.11 billion, and it is appropriate to attribute the entirety of this budget to combating illegal immigration.⁴⁹

Customs and Border Protection (CBP)

\$8,565,574,000

U.S. Customs and Border Protection (CBP), another DHS agency, is responsible for securing the borders of the United States and managing land, sea, and air ports of entry. CBP acts as the first line of defense against illegal entry, alien and drug smuggling, and human trafficking. A large portion of CBP's responsibilities relates directly to detecting, deterring, and prosecuting illegal immigration.

CBP is also responsible for the trade management, impost collection, licensing and enforcement duties that were handled by the U.S. Customs Service prior to the formation of DHS. Therefore, we must determine which costs relate to trade management and impost functions and which arise directly from border security functions.

Breaking down the enacted FY 2022 budget by component, Congress directly appropriated a total of \$8,565,574,000 for the components of CBP involved in border security, which is effectively everything outside of the CBP Office of Trade.⁵⁰ This large figure reflects the scale of the border crisis and its continuous growth. The FY 2023 President's Budget, which is essentially the administration's wish list, would eliminate appropriated border wall funding but ultimately increase the border-related spending total above \$9 billion if enacted because of the demands illegal immigration imposes on CBP.

Other ICE Operations

\$1,715,897,000

ICE is responsible for enforcing both civil and criminal immigration laws within the interior of the United States. Non-ERO ICE operations conducted by the Homeland Security Investigations (HSI) department involve detecting, arresting, and prosecuting lawfully present aliens who engage in criminal acts, as well as detecting, detaining, and criminally prosecuting illegal aliens involved in, human trafficking and smuggling, drug trafficking, and gun running. ICE is also responsible for the enforcement of U.S. customs laws within the interior of the United States and investigations of certain transnational crimes. As such, it handles some of the impost collection, licensing and enforcement duties that were handled by the U.S. Customs Service prior to the formation of DHS.

Accordingly, it is necessary to distinguish non-ERO ICE expenses associated with the criminal prosecution of lawfully admitted alien criminals, international terrorism interdiction, and customs enforcement duties, from those expenses related to the criminal investigations of illegal aliens.⁵¹ HSI operations are budgeted at approximately \$1.7 billion in FY 2022.⁵² HSI's work is almost always heavily involved with transnational crime, involving violations of visas and other immigration-related offenses. HSI is also responsible for investigating the cartels that smuggle narcotics and people into the United States, and much of their work on transnational crime is devoted to this particular menace.

State Criminal Alien Assistance Program (SCAAP) \$234,000,000

The State Criminal Alien Assistance Program (SCAAP) provides federal payments to states and localities that incurred correctional officer salary costs for incarcerating criminal illegal aliens who have at least one felony or two misdemeanor convictions for violations of state or local law, and who are incarcerated for at least 4 consecutive days during the reporting period.⁵³ This program tends to cover only a minute percentage (typically less than one percent) of the full cost of incarceration, and the rest are absorbed by state and local jurisdictions. Appropriations for this program were \$244,000,000 in FY 2021 and \$234,000,000 in FY 2022.⁵⁴ It should be noted that the Biden administration formally proposed removing all funding for this program over the past two fiscal years, which would have removed even the most meager federal compensation received for the immense cost that criminal illegal aliens impose on the states who incarcerate them. So far, Congress has rejected these proposals.

Executive Office for Immigration Review (EOIR) \$622,809,000

The Executive Office for Immigration Review (EOIR) is a DOJ agency that includes the U.S. Immigration Court, the Board of Immigration Appeals (BIA) and the Office of the Chief Administrative Hearing Officer (OCAHO). The U.S. Immigration Court hears deportation cases lodged against both lawfully admitted and illegal aliens. The BIA hears appeals of U.S. Immigration Court Decisions. The OCAHO hears cases involving allegations of knowingly hiring illegal aliens and failure to comply with employment verification requirements. The vast majority of the work performed by EOIR is handled by the U.S. Immigration Court, which is faced a case backlog amounting to more than 1.9 million active cases at the end of FY 2022.⁵⁵

Based on data available through Syracuse University’s Transactional Records Access Clearinghouse (TRAC), which analyzes deportation cases by the type of charge levied against the respondent, roughly 70 percent of new cases are based upon entry without inspection, terrorism, crime, and other violations associated with illegal alien status.⁵⁶ This is a significant increase in cases involving illegal aliens, as opposed to visa violations, from previous years and coincides with the rapid collapse of border security. 31.1 percent of new immigration cases are categorized as “other immigration charge”, and even an extremely generous assumption that these primarily represent overstays or violations of valid visas still leaves the percentage of new cases involving illegal aliens much higher than in previous years.

EOIR’s budget was \$673 million in FY 2020, \$734 million in FY 2021, and \$891 million in FY 2022. Using the most recent appropriation, which largely coincides with the time period the TRAC data covers, EOIR funding used on deportation cases for illegal aliens is approximately \$622,809,000. The President’s Budget request for EOIR in 2023, not enacted, is \$1.355 billion, but the vast majority of this increase is split between dubious “legal access initiatives” to fund lawyers for illegal aliens or the opening of more immigration courts to process cases faster; if enacted, this cost could nearly double in the near future.

Alien Minors

\$8,006,000,000

The number of unaccompanied minors entering the United States continues to surge in an unprecedented manner, as many would-be illegal aliens are aware that an unaccompanied minor is a potential anchor for future migration down the line and with smugglers acutely aware that children are given much less scrutiny. Unfortunately, these minors often suffer untold horrors as they are brought to the American border. The number of unaccompanied minors entering the United States hit a record 122,000 in FY 2021 and then again with 130,000 in FY 2022.⁵⁷

The Department of Health and Human Services (HHS) Administration for Children and Families (ACF) is tasked with providing for these minors until they are connected with family residing in the United States, placed in foster care, or repatriated. As the scale of UAM entries grows, so do the costs associated with caring for them. These costs have increased on a shocking scale in recent years, with the FY 2020 budget of just over \$1.3 billion increasing to over \$3.6 billion (after a significant transfer of COVID relief funding) in FY 2021 and a staggering \$8 billion in total spending in FY 2022.⁵⁸ This amounts to the spending of \$61,584 per unaccompanied minor entering the shelter system in FY 2022, nearly tripling the per capita costs from our previous comprehensive cost study for a number of unaccompanied alien minors almost twice as large.

NOTE: The financial impact of UAMs on the nation's public school systems is included, as a separate cost, in the sections of this report pertaining to education.

Byrne Grants

\$4,180,000

The Edward Byrne Memorial Justice Assistance Grant (JAG) Program is the primary provider of federal criminal justice funding to state and local jurisdictions. The JAG Program provides state and local governments with funding to support law enforcement, prosecution, court, and corrections programs. Funding for this program was \$92,888,141 in FY 2022, a significant decrease from the amounts routinely allocated in years before FY 2021.⁵⁹

The federal government provides SCAAP funding to states that compensates for the roughly 4.5 percent of the national total of state and local prisoners who are illegal aliens. Since the majority of illegal aliens held in state and local custody are prosecuted in state and local courts, this is a good measure for estimating the share of Byrne grants attributable to the arrest, prosecution, and incarceration of illegal aliens. 4.5 percent of the FY 2022 allocation is just over \$4 million.

DOD Funding for National Guard

\$191,625,000

In order to handle the border crisis, the U.S. Department of Defense continues to keep around 2,500 National Guard members from states across the country deployed to the U.S.-Mexico border to assist the

U.S. Border Patrol in support missions.⁶⁰ States have committed varying numbers of troops and other means of support, like aviation assets, with funding for the operation provided by the Department of Defense.

FAIR estimates the cost of these deployments based on publicly available figures relating to the pay of state National Guard units deployed at the border. At the prevailing rate for actively deployed National Guard, this operation (which has been ongoing for multiple years) is estimated to currently cost just over \$190 million annually.

Criminal Gangs

In its 2009 National Gang Threat Assessment, the FBI concluded that criminal street gangs, whose members are often illegal aliens, are responsible for the vast majority of violent crimes in the United States, as well as the distribution and trafficking of most illegal drugs.⁶¹ In the intervening years, the presence of illegal alien gangs, especially from Central America, has only increased. Established gangs like MS-13, its rival the 18th Street Gang, the Latin Kings, and growing numbers of new Dominican, Middle Eastern, and Somali gangs are responsible for a broad range of both local and transnational crimes, including: theft, extortion, murder, drug trafficking, human/sex trafficking and gun running.

Because it is impossible to truly quantify the comprehensive cost of gangs to American taxpayers, FAIR does not included an estimate of those expenditures. Nevertheless, it is important to remember that crimes committed by transnational gangs represent a significant portion of the costs imposed on U.S. taxpayers by lax immigration enforcement and irresponsible immigration policies.

Total Federal Justice Enforcement Expenditures

Federal Incarceration	\$1,670,374,000
Enforcement and Removal Operations (ERO)	\$4,118,902,000
Customs and Border Protection (CBP)	\$8,565,574,000
Other ICE Operations	\$1,715,897,000
State Criminal Alien Assistance Program (SCAAP)	\$234,000,000
Executive Office for Immigration Review (EOIR)	\$622,809,000
Alien Minors	\$8,006,000,000
Byrne Grants	\$4,180,000
DOD National Guard Deployment	\$191,625,000
<hr/>	
Total	\$25,129,361,000



Federal Welfare Costs

Welfare Costs

This section details the profound impact that illegal immigration exerts on programs intended to provide financial aid or services exclusively for low-income Americans. Most, but not all, illegal aliens are theoretically ineligible for the welfare programs covered in this section. However, virtually all federal welfare programs available to the children of U.S. citizens are also available to U.S.-born children of illegal aliens because those children are, under the current constitutional interpretation, U.S. citizens. We include this information because the costs of providing benefits to this cohort are directly attributable to their parents' illegal presence in the United States.

USDA Food and Nutrition Service

\$1,550,108,000

The U.S. Department of Agriculture's (USDA) Food and Nutrition Service (FNS) operates the National School Lunch Program (NSLP), the School Breakfast Program (SBP), Special Milk Program (SMP), and other food programs that provide subsidized meals to school children. These programs operate in approximately 100,000 public and non-profit private schools and residential child care institutions. They furnish low-cost or free breakfast, lunch, and snacks to millions of children each school day. However, these schools make no effort to identify whether the students using these programs are legally in the United States.

There are approximately 30 million children receiving meals from these programs.⁶² According to research conducted by CIS, approximately 48 percent of illegal alien households received some form of benefit under the school lunch program.⁶³ FAIR estimates that there are roughly 5.1 million students who are the children of illegal aliens.⁶⁴

Based on these totals, approximately 2.45 million children of illegal aliens are receiving this benefit, which is a conservative figure given the typically low incomes of illegal alien households. The funding for school meal programs, including breakfasts, lunch, snacks and milk, cost nearly \$18.8 billion in FY 2019, the last year before the pandemic and the subsequent two-year period (2020-2022) of free school lunches for all students (which was rolled back with the 2022-2023 school year).⁶⁵ To estimate the impact of illegal immigration on school nutrition programs, we take our estimate of the number of illegal alien children and compare it to the total number of participants in school nutrition programs. This comparison indicates that almost 8.3 percent of children receiving meals are part of an illegal alien household. Therefore, we conclude that \$1.55 billion of the federal funds expended annually on the above USDA FNS programs goes to the children of illegal aliens.

Supplemental Nutrition Assistance Program (SNAP) \$5,757,872,000

Colloquially referred to as “Food Stamps,” the Supplemental Nutrition Assistance Program (SNAP) is also administered by USDA-FNS. Most illegal aliens are ineligible for SNAP, but their U.S.-born children are eligible. In certain limited circumstances, elderly and disabled citizens residing with illegal alien relatives may also qualify for SNAP benefits, but they account for only a very small percentage of use by illegal alien households.

Research conducted by CIS found that approximately 31 percent of illegal alien households with children benefit from SNAP.⁶⁶ The estimated total number of American households headed by an illegal alien is approximately 6.7 million, of which 2.7 million contain at least one child.⁶⁷ This would indicate that around 825,000 illegal alien households draw benefits from SNAP.

Given that the average illegal alien household with children has 2.5 children, almost 2.1 million children of illegal aliens are likely to draw SNAP benefits. Data from the USDA indicates that the average monthly benefit per participant in FY 2022 was \$232.72, or \$2,793 per year.⁶⁸ Accordingly, the total estimated cost to the American taxpayer of providing SNAP to the children of illegal aliens is almost \$5.8 billion.

Women, Infants, and Children (WIC) \$999,961,000

The Special Supplemental Nutrition Program for Women, Infants, and Children, commonly known as “WIC”, provides federal grants to states for supplemental foods, healthcare referrals, and nutrition education for low-income, pregnant, breastfeeding, and non-breastfeeding postpartum women, and to infants and children up to age five who are found to be at nutritional risk.

The WIC program is primarily funded through two separate federal grants: a food grant, and the Nutrition Services and Administration grant. In FY 2022, the food grant was approximately \$4.7 billion and the Nutrition Services grant approximately \$2.2 billion. The total grant allocation was \$6,855,458,974.⁶⁹

Eligibility for WIC is based on income. Currently, those earning between 100 percent and 185 percent of the FPL inclusive qualify. According to the U.S. Department of Agriculture, in FY 2021 WIC served an estimated 43 percent of all infants in the United States.⁷⁰ WIC is available to anyone in the United States who falls within a WIC eligible category, is a full-time resident of the state where he/she is applying, meets the income requirements, and is at risk for malnutrition. As a federally funded but state-administered program, each state is entitled to determine whether it will allow illegal aliens to draw WIC benefits. All fifty states have extended eligibility to illegal aliens.

A study by CIS found that approximately 35.1 percent of illegal alien households with children use the WIC program.⁷¹ Using FAIR's baseline of 6.7 million illegal alien households, this would indicate that approximately 937,000 illegal alien households draw benefits under the WIC program, equating to roughly 2.3 million individuals. In February 2022 (the most recent month of available statistics), WIC served approximately 6.2 million participants.⁷²

Based on FY 2021 data, the average annual benefit per participant is approximately \$426.96.⁷³ This means that the cost to taxpayers for providing WIC to illegal aliens is approximately \$1 billion.

Temporary Assistance for Needy Families (TANF) \$1,430,527,000

The Temporary Assistance for Needy Families (TANF) program is the current successor to the former Aid to Families with Dependent Children program. TANF was created to help needy families achieve self-sufficiency by providing temporary cash assistance to supplement their earned income. In order to qualify, applicants must be either pregnant or responsible for a child under 19 years of age, meet income requirements, and be unemployed or underemployed.⁷⁴

As with SNAP, most illegal aliens are theoretically barred from using TANF. However, illegal alien families that have U.S.-born children may still obtain significant financial assistance via this program. Certain TANF benefits are also available to the U.S. citizen children of illegal aliens who are being cared for by grandparents, foster parents, aunts, and uncles. These are referred to as “child-only” applications.

Despite TANF eligibility provisions requiring that applicants be working, seeking work, or training for employment, neither income earned by parents nor caregiver resources are considered when a child-only TANF case is processed.⁷⁵ Therefore, virtually all U.S. citizen children of illegal aliens may be eligible for TANF, under the right circumstances, and the costs for providing TANF to the U.S. citizen children of illegal aliens are borne entirely by the U.S. taxpayer.

There were 1,479,103 child recipients of TANF benefits as of June 2022, according to the DHHS's Office of Family Assistance (OFA).⁷⁶

In FY 2021, according to DHHS OFA, federal spending on TANF amounted to about \$15.1 billion (TANF funding is not adjusted for inflation or other circumstances, so funding levels have not changed significantly since the program's creation by the PRWORA of 1996).⁷⁷ Based on CIS data, FAIR estimates that U.S. citizen children of illegal aliens accounted for almost 9.4 percent of the TANF caseload in FY 2022.⁷⁸ Using this percentage, the total cost for providing TANF benefits to the U.S.-born children of illegal aliens comes out to approximately \$1.43 billion.

Child Care and Development Fund (CCDF)

\$911,307,000

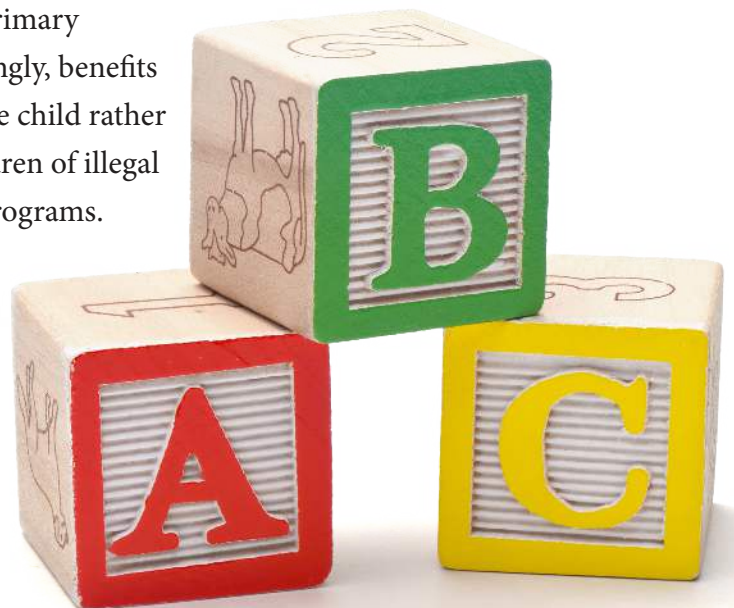
The U.S. Department of Health and Human Services' Child Care and Development Fund (CCDF) programs are an additional source of welfare benefits that are available to U.S.-born children of illegal aliens, and some illegal alien children through the Head Start and Early Head Start programs. The CCDF program is overwhelmingly federally funded, but is matched in part by state funding.

Pursuant to the Child Care and Development Block Grant Act of 2014, the program matches and expands upon state funds spent on programs providing affordable child-care services to low-income families who work, are training for work, attending school, or whose children receive government protective services.⁷⁹

Assistance is provided in the form of either a contracted childcare program or a voucher that may be used to access care from any provider that meets state requirements. Eligibility requirements for these programs vary widely among states.

Most illegal aliens are not eligible for CCDF programs. However, under relevant federal rules and regulations, the recipient child is considered the primary beneficiary of CCDF childcare programs. Accordingly, benefits are awarded based on the immigration status of the child rather than the parents. As a result, many U.S.-born children of illegal aliens receive subsidized childcare under CCDF programs.

In FY 2022, \$9.65 billion federal funds were allocated to the program.⁸⁰ While COVID-19 served as a justification to spend almost \$50 billion in additional temporary CCDF funding (a part of which was undoubtedly spent on the children of illegal aliens), we do not include this spending spree in our estimate. The



reason is because there is no clear indication at this moment that this spending will be permanent (in the case of these funding streams, the deadlines for obligating the money have either expired, or will expire in 2023).⁸¹

Since the child is considered the primary beneficiary of CCDF programs, HHS appears to collect little information on the immigration status of the parents of the recipient children. Therefore, we must estimate the childcare expenses for illegal aliens paid out under CCDF programs using the TANF data, for which we estimated that 9.4 percent of the caseload consists of the children of illegal aliens. We do this because the demographics of children from illegal alien households who are eligible for CCDF are very similar to the population that will typically seek child-only TANF benefits and the qualifications for each program set by law cover very similar income groups. While TANF income thresholds are set at the state level, CCDF income eligibility is based on the FPL and state median incomes and tends to have higher thresholds in general; hence, our method of using TANF thresholds may result in a slight underestimation of illegal alien families collecting CCDF benefits. However, it provides the most accurate approximation possible with limited data available.

Applying this proportion to federal CCDF expenditures (the state share is discussed in the state welfare programs section), this works out to about \$911 million spent on children with at least one illegal alien parent.⁸²

Supplemental Security Income (SSI) \$600,350,000

The Supplemental Security Income (SSI) program applies to some U.S.-born children of illegal aliens if they have a “medically determinable physical or mental impairment which can be expected to result in death, or which has lasted or can be expected to last for at least 12 months in a row ... provided your impairment keeps you from engaging in substantial gainful activity for at least 12 months in a row.”⁸³

According to the existing research, it appears that only around 1.1 percent of illegal alien households participate in this program.⁸⁴ That would correspond to 73,400 households. If we err on the side of caution and assume that only one person in each of these households is an SSI recipient, and multiplying them by an inflation-adjusted average yearly benefit of \$7,363, federal SSI payments attributable to illegal immigration would amount to a minimum of \$541 million annually. Federally-administered state supplements add an additional \$60 million to this amount.⁸⁵

Public Housing \$334,442,000

When a household is eligible for public housing benefits but one or more members are illegal aliens,

they are eligible for prorated or reduced federal housing benefits, depending on the specific program.⁸⁶ However, housing benefit fraud is common and illegal aliens often live covertly with citizen and lawfully present relatives who are receiving housing benefits.

Currently there is only fragmented data on the use of housing benefits by families with illegal alien members. According to a Congressional Research Service (CRS) report, mixed-status families make up approximately 0.5% of all assisted households.⁸⁷ In addition, the report reveals that this percentage totals more than 25,000 mixed status families consisting of more than 108,000 people, including roughly 55,000 children who were the U.S.-born children of illegal aliens.⁸⁸ At a minimum, therefore, the eligible children of illegal aliens cost taxpayers approximately \$334 million annually, based on the average benefit received per year.⁸⁹ Barring additional information regarding the immigration status of the other households covered by this program, it's impossible to reliably estimate the entire cost of this program.

Total Federal Welfare Programs

Meals in Schools	\$1,550,108,000
Supplemental Nutrition Assistance Program (SNAP)	\$5,757,872,000
Women, Infants, and Children (WIC)	\$999,961,000
Temporary Assistance for Needy Families (TANF)	\$1,430,527,000
Child Care and Development Fund (CCDF)	\$911,307,000
Supplemental Security Income (SSI)	\$600,350,000
Public Housing	\$334,442,000
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Total	\$11,584,567,000



Total Federal Expenditures

Overall Federal Fiscal Costs before revenue

The approximately \$66.4 billion in federal expenditures attributable to illegal aliens is staggering, and constitutes an increase of 45 percent since 2017. This amounts to roughly \$3,187 per illegal alien, per year.

FAIR believes that every concerned American citizen should be asking our government why, in a time of increasing costs and shrinking resources, it is spending such large amounts of money on individuals who are not authorized to be in the United States. This is an especially important question in view of the fact that the taxes paid by illegal aliens offset very little of the enormous costs stemming from their presence in the country.

Total Overall Federal Expenditures

Federal Educational Expenditures	\$6,602,699,000
Federal Medical Expenditures	\$25,129,361,000
Federal Law Enforcement	\$23,132,475,000
Federal Welfare Programs	\$11,584,567,000
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Total Federal Expenditures	\$66,449,136,000



Federal Tax Payments and Credits

Taxes collected from illegal aliens help offset fiscal outlays and therefore must be included in any examination of the cost of illegal immigration. However, illegal alien advocates frequently cite the alleged large tax payments made by illegal aliens as a justification for their unlawful presence and as a reason itself to grant them amnesty. That argument is nothing more than a red herring. Such claims rarely look at the costs associated with illegal immigration, and instead only focus on the amounts contributed to the economy and paid in taxes.

Most studies grossly overestimate both the taxes actually collected from illegal aliens and, more importantly, the net amount of taxes actually paid by them (i.e., the amount of money collected from illegal aliens and ultimately kept by the federal government). A predominant reason for this is that in recent years, the United States has focused on apprehending and removing almost solely criminal aliens (and since President Biden took office, many criminal aliens are now protected from deportation as well). Because of this, the majority of illegal aliens seeking employment in the United States now live in an environment where they have little fear of deportation even if discovered.

This increasingly comfortable environment has created an environment where most working illegal aliens are both able and willing to not only work in the above ground economy, but even file tax returns. Because the vast majority of illegal aliens hold low-paying jobs, most who file tax returns actually wind up receiving a complete refund of all taxes paid. Many will receive credits in excess of their annual

deductions. As a result, it's often beneficial for illegal aliens to file tax returns with the IRS, knowing that it will not subject them to removal, and will likely result in a monetary profit. Indeed, the IRS has stated in the past that they have no intention of reporting known or suspected illegal aliens who file tax returns.⁹⁰

Government data support this argument. According to the latest information available from the Congressional Budget Office (CBO) from 2019:⁹¹

- The lowest-income households in the United States (the bottom 20 percent) had an average income of about \$20,000 before taxes and transfers and paid an average net federal income tax rate of -11.1 percent.
- The second-lowest 20 percent had an average household income of about \$50,000 before taxes and transfers and paid a net federal income tax rate of -1.7 percent.

In 2017, FAIR estimated that the average household headed by an illegal alien earned approximately \$36,000 per year. Since that time, the overall average household income for the country has increased by approximately 13.2 percent.⁹² Using the same methodology as before and assuming, generously, that the income for illegal aliens has increased at the same rate as the overall average, this cohort now earns approximately \$40,800 annually.

FAIR estimates that there are approximately 6,673,000 households with an illegally present head of household.⁹³ This figure was derived from previous research from FAIR and organizations such as the Heritage Foundation and Pew Research, then applied to our most recent estimate of the illegal alien population.^{94,95}

We therefore estimate that illegal aliens in the United States earn a gross income of approximately \$272,258,400,000 annually. Therefore, despite making up approximately 4.7 percent of the entire U.S. population, illegal aliens only contribute approximately 1.3 percent of the gross personal income earned in the country.⁹⁶

Income Tax

Income Tax Paid

\$4,146,850,000

To determine how many illegal aliens earn an income significant enough to require that they pay more in income taxes than they receive in benefits, several factors must be considered. First: many illegal aliens who are paid in cash and work under the table avoid paying taxes regardless of what their income level happens to be. Second: there is only a small population of visa overstayers and illegal entrants who possess the specialized skills sufficient to earn an income which results in a net tax payment greater

than the amount they receive in benefits. Finally: those illegal aliens who are neither “white collar” nor “highly-skilled” business visa overstayers are unlikely to be paying more in taxes than they receive in benefits. As mentioned before, the first and third cohorts comprise the vast majority of illegal alien households.

However, a small number of illegal aliens may work jobs that earn enough to necessitate a net payment of income tax payments. Many of these workers with high earning potential use fraudulent means to obtain employment. These include using stolen or fake Social Security Numbers (SSNs), overstaying their high-earning occupational visa, or working as “subcontractors,” a loophole which allows employers in many states to avoid verifying their employment eligibility. A small number of illegal aliens who hold work authorization (especially college-educated DACA students and TPS holders) will also fall into this category.

Based on data from the Bureau of Labor Statistics (BLS), the American Community Survey (ACS), and previous FAIR estimates, the aboveground illegal alien labor force participation rate has likely decreased about 1 percent since our last report in 2017.⁹⁷ The main reasons for this decrease are the lingering impacts of the COVID-19 pandemic along with a more generous welfare environment at both the federal and state levels. The unemployment rate among the foreign-born has also increased by approximately 8 percent during this time period. Based on these factors, and adjusted to fit the current illegal alien population, we estimate that approximately 7.9 million illegal aliens are participating in the aboveground economy, with just under 7.5 million currently employed. We also estimate that an additional 2.6 million illegal aliens are participating in the underground economy and are therefore paying no federal taxes at all.⁹⁸ This indicates that illegal aliens have a slightly higher labor force participation rate than the overall foreign-born population (67.8 percent vs 64.7 percent, respectively). This makes sense as a higher proportion of illegal aliens are in single-member households, and the primary driver of illegal immigration to the United States is economic opportunity.

In FAIR’s 2017 report, we estimated that, in addition to visa overstayers who worked higher earning jobs, approximately 3 percent of the overall illegal alien workforce employed in the open economy falls within an income bracket that requires them to pay more in taxes than they receive in benefits.⁹⁹ Based on currently available data, we believe this proportion has stayed constant.¹⁰⁰ This means that approximately 414,685 illegal aliens currently fall into this category.

In order to determine the average income of those illegal aliens who pay more in taxes than they receive in credits, we assume that they earn, on average, a wage similar to that of a foreign-born worker with at least a bachelor’s degree. In 2020, that income was approximately \$71,000 for individuals (\$82,000 when adjusted for inflation).¹⁰¹ Assuming standard deductions, this makes the taxable total approximately \$69,050,¹⁰² and places the alien in the 22 percent tax bracket.¹⁰³ This means the average federal income

tax paid is approximately \$10,000 per individual (Social Security and Medicare taxes are calculated later in this section). This means that illegal aliens who pay more in income taxes than they receive in benefits are contributing approximately \$4,146,850,000.

Additional Child Tax Credit

\$5,400,000,000

Although it seems counterintuitive, large numbers of illegal aliens file tax returns. Many wish to establish a record of complying with tax laws in case a new amnesty is enacted (full payment of taxes owed was a requirement under the 1986 amnesty, and it is often listed as a requirement in recent amnesty proposals). Others want to take advantage of various benefits and credits that are available to them. One benefit is the Additional Child Tax Credit (ACTC), which is an annual lump sum paid by the U.S. Treasury to low-income filers with citizen children even if their parent does not have a SSN and has no tax liability. As the IRS explains on its website, “It [the ACTC] is a refundable credit, which means taxpayers may receive refunds even when they do not owe any tax.”⁷⁵ However, to receive the funds a tax return must be filed.

Most illegal aliens who are not using a stolen or fraudulent SSN file their tax return using an Individual Tax Identification Number (ITIN). An ITIN allows individuals who don’t qualify for a SSN to file income tax returns. The vast majority of ITIN recipients are illegal aliens according to the federal government. However, in some instances, lawfully permitted migrants who are not eligible for Social Security Numbers, or lawfully permitted migrants who are working without authorization, may apply for ITINs as well. According to the U.S. Treasury Department, there were 5.4 million active ITINs in 2021.

Per the Treasury Inspector General for Tax Administration (TIGTA), the U.S. Department of Treasury paid \$4.2 billion to 2.18 million illegal alien claimants using ITINs in 2010.¹⁰⁴ The TIGTA report

noted a very strong correlation between tax returns filed using an ITIN and the claim for the ACTC, i.e., 93 percent of all such cases. In addition, the report noted allegations that some filers for the credit were identifying children who did not have SSNs because those children lived abroad. However, the report still offers strong evidence that at least 90 percent of ITIN filers for tax credits are illegal aliens.

As part of President Biden’s \$1.9 trillion



stimulus package, the ACTC increased to \$3,600 for children under six, and \$3,000 for children between six and 18.¹⁰⁵ Additionally, the income threshold was raised to \$150,000 for families, and \$75,000 for single filers. The U.S.-born children of illegal aliens who have SSNs are allowed to take part in this benefit so long as one of their parents have an ITIN or SSN. FAIR estimates that there are nearly 2.7 million households with at least one illegal head and one child and 5.4 million active ITIN filers, nearly all of whom are believed to be illegal aliens. Furthermore, there are more than 5.3 million U.S.-born children of illegal aliens who hold SSNs.

FAIR estimates that less than 5 percent of illegal alien households make above the threshold which would disqualify them for this credit (see the federal income tax section of this report). However, we also estimate that approximately 25 percent of the illegal alien workforce participates in the underground economy, therefore paying no taxes and receiving no credits. While it's most likely that the majority of underground economy workers are single-person households without U.S.-born children, we will assume the ratio is even due to a lack of hard data. This means that illegal alien households received approximately \$13.4 billion in child tax credits in 2022 for the 2021 tax year.¹⁰⁶

However, ACTC totals reverted back to the previously set amounts for the 2022 tax year since Congress declined to extend the increased limits. So, while we estimated that illegal aliens received \$13.4 billion for the 2021 tax season, we estimate that this amount will decrease dramatically to somewhere in the area of \$5.4 billion going forward, based on the current limits set by the IRS and other restrictions.¹⁰⁷

This is the total that we use since it better represents what the amount will be in future years, barring a reinstatement of the COVID-era expansion. However, it is important to highlight the fact that illegal aliens received approximately \$8 billion in tax credits under the Biden Administration's stimulus package for tax year 2021.

Earned Income Tax Credit

\$2,987,987,000

The Earned Income Tax Credit (EITC) is a refundable tax credit available to low and moderate-income individuals who are employed. The amount paid depends on a recipient's income, marital status, and number of children. The credit increases with each additional dollar earned, until a maximum credit amount is reached. In tax year 2022, these limits ranged from \$560 to \$6,935.¹⁰⁸ The average EITC benefit in 2013 was \$2,411.¹⁰⁹

According to the IRS, a family with less than \$53,865 in earnings and two dependents would have zero tax liability and qualify for an EITC of \$5,980. Instead of paying a tax on income, that worker would receive a net profit courtesy of the American taxpayer. Based on an annual household income of approximately \$40,600 and an average household size just over three, most illegal alien households would qualify for a credit of approximately \$4,025. This is assuming, however, they were eligible for the program.

Theoretically, most illegal aliens are barred from participating in the EITC program. However, there is no provision in the relevant statutes specifically barring individuals who are unlawfully present from collecting an EITC; rather, anyone filing for an EITC is required to have a valid SSN and must be considered a “resident alien” for taxation purposes. This requirement blocks those who cannot obtain a SSN from collecting an EITC. The program is also closed to ITIN holders.¹¹⁰ However, there are certain classes of illegal aliens who are eligible for SSNs, such as parolees, TPS holders, and DACA recipients. Once these illegal aliens meet the criteria for being a “resident alien,” they may apply for and receive the EITC.¹¹¹

However, there are several major designations (along with a collection of smaller categories) that illegal aliens can obtain which would provide them a Social Security Number and work authorization within the United States. Below is a list of those categories and how many illegal aliens FAIR estimates to hold those designations:

- DACA: 594,000
- TPS: 450,000
- Qualified asylum applicants: 508,000
- Stolen identifications and fraudulent SSNs: 977,000
- Other designations offering SSNs: (at least) 440,000^{112,113}
- Total: 2,969,000

Based on FAIR’s estimates regarding household size, income, and employment participation rates, we assume that approximately 25 percent of this population will be tax filers receiving the EITC at the average credit of \$4,025. This means that illegal aliens receive just under \$3 billion in these tax credits.

Net Income Tax Payment and Credit Receipt **\$4,241,137,000**

Therefore, although illegal aliens do technically pay billions in income taxes every year, they ultimately receive a far greater amount in tax credits. As our estimate details, because illegal aliens pay about \$4.1 billion in income tax and receive tax credits of \$5.4 billion (ACTC) and \$3.0 billion (EITC), the U.S. Treasury suffers a net loss of \$4.2 billion annually.

Other Taxes

Social Security and Medicare Taxes

\$19,527,768,000

Illegal aliens who work in the open economy will normally have Social Security and Medicare taxes withheld, with a matching amount paid by the employer. The standard withholding amount for workers and employers is 6.2 percent each (12.4 percent total) for Social Security and 1.45 percent (2.9 percent total) for Medicare.

A 2010 Social Security Administration (SSA) actuarial note on the impact illegal aliens have on the Social Security Trust Fund estimated that illegal aliens pay a total of \$13 billion into the Social Security trust fund annually.¹¹⁴ The report also stated that illegal alien retirees, even though nearly all are technically excluded from retirement benefits even if they hold a SSN,¹¹⁵ managed to receive approximately \$1 billion payouts every year. This makes the total net payment into the fund by illegal aliens approximately \$12 billion annually. At the time, the report indicated that the primary way in which illegal aliens obtained Social Security benefits was by using stolen/fraudulent Social Security Numbers, or through a small number of those receiving deportation deferment. Since then, with the implementation of DACA and the expanded utilization of TPS, parole and other programs that grant work authorization to illegal aliens, a much higher number are now contributing to the program.

Based on FAIR's estimate of the total earnings contributed by illegal aliens to the aboveground economy, total contributions by illegal aliens has likely increased to approximately \$16.9 billion.¹¹⁶ This figure falls closely in line with the 2010 SSA estimate when adjusted for the increase in the illegal alien population and their associated incomes since that time.

Because nearly all who pay into the Social Security Trust Fund will also pay into Medicare, and since the rate is similarly fixed, we extrapolate from our Social Security analysis to determine how much illegal aliens pay into Medicare. The Medicare deduction rate is 1.45 percent for both employees and employers, which is 23.4 percent of the Social Security deduction rate. Therefore, the total amount paid into Medicare by illegal aliens is 23.4 percent of the Social Security rate. This comes out to approximately \$3.9 billion.

Adding these figures together, we estimate that illegal aliens make approximately \$20.8 billion in Social Security and Medicare tax contributions annually. These estimates again are conservative, as we operate on the assumption that virtually all illegal aliens working in the open economy are paying social security taxes.

According to data contained within the 2010 SSA actuarial note, illegal aliens recoup approximately 7.7 percent of what they pay into the Social Security program, which means that they are likely receiving

around approximately \$1.3 billion in improper payments each year. This makes the net total paid in Social Security and Medicaid approximately \$19.5 billion.

Excise taxes

\$932,864,000

The federal government also receives revenue in the form of excise taxes on the sale of consumer goods such as fuel, tobacco, alcohol and airline tickets. Here, we include a rough estimate of receipts by the federal government from fuel, tobacco, and alcohol purchases. We do not include an estimate of excise revenue generated by illegal alien purchases of airline tickets based on the reasonable presumption that most illegal aliens engage only in very limited commercial airline travel.¹¹⁷

Fuel Taxes

The United States consumed approximately 135 billion gallons of motor gasoline in 2021, which averages out to about 592 gallons per licensed driver.¹¹⁸ We assume that the illegal alien rate of gasoline consumption is slightly lower than it is for the lawful migrant and U.S. citizen population. This presumption is based on the fact that many states do not permit illegal aliens to obtain driver's licenses. In addition, many illegal aliens fall into an income bracket which limits the ability to purchase, maintain, insure, and operate a motor vehicle at the same rate as the general public. Moreover, it is safe to assume that those illegal aliens that do drive, minimize the amount that they drive due to their unlawful status and lower average income.

It is important to note that all 50 states now allow DACA recipients, TPS holders, and several other categories of illegal aliens with deferred deportation to obtain drivers licenses.¹¹⁹ Moreover, a growing number of states are making licenses available to all illegal aliens.¹²⁰ Because of this, we assume that a greater percentage of illegal aliens are driving now than when this report was last published.

Based on these assumptions, we estimate that approximately 65 percent of adult illegal aliens drive on a regular basis,¹²¹ compared to more than 80 percent of American adults overall.¹²² This means that approximately 9 million illegal aliens drive in the United States. Furthermore, we assume that they consume, on average, approximately 70 percent as much fuel as the overall average driver, or around 414 gallons each year. With the current federal fuel tax at 18.4 cents per gallon, that means illegal aliens pay approximately \$686 million in federal fuel taxes annually.¹²³

Alcohol Taxes

We presume that illegal aliens, in general, will prefer beer or wine because it is less expensive than liquor and can generally be purchased in grocery and convenience stores. Furthermore, all individuals in the United States consume beer at a much higher rate than other alcoholic beverages. The general excise tax on beer was reduced from \$18 per barrel (31 gallons) for beer to \$16 per barrel in 2020.¹²⁴

Studies indicate that alcohol consumption varies widely among immigrant groups, but that immigrants overall tend to drink less than native-born Americans.¹²⁵ However, the vast majority of illegal aliens are Hispanic, a demographic that consumes alcohol at a rate higher than the average American.¹²⁶ Because of the offsetting variances in terms of income, nativity, and race, we simply assume that illegal aliens likely consume alcohol at a rate relatively close to the rest of the country. This amounts to approximately \$136 million in excise revenue generated by illegal alien alcohol purchases¹²⁷

Tobacco Taxes

Studies of smokers have found an incidence of smokers among the foreign-born population to be about one-third lower than the native-born population.¹²⁸ Based on this data, it can be assumed that approximately 10.5 percent of illegal alien adults are smokers. The average smoker consumes approximately 75 packs of cigarettes per year.¹²⁹ The current federal excise tax on cigarettes is \$1.01 per pack,¹³⁰ which means that illegal aliens are likely to pay approximately \$111.5 million per year.

The cumulative total federal excise tax revenue from the illegal alien population for fuel, alcohol, and cigarettes, therefore, totals approximately \$932,864,000 annually.

Net Federal Impact of Illegal Aliens

Federal Receipts from Illegal Aliens

Income Taxes	\$4,146,850,000
Social Security and Medicare Taxes	\$19,527,768,000
Excise taxes	\$932,864,000
<hr/>	
Total Receipts	\$24,607,482,000

Credits Given to Illegal Aliens

ACTC	\$5,400,000,000
EITC	\$2,987,987,000
<hr/>	
Total Credits	\$8,387,987,000

Net Federal Receipts from Illegal Aliens

Total Receipts	\$24,607,482,000
Total Credits	\$8,387,987,000
<hr/>	
Net Federal Receipts from Illegal Aliens	\$16,219,495,000

Net Federal Impact of Illegal Aliens

Total Federal Outlays	\$66,449,136,000
Net Federal Receipts	\$16,219,495,000
<hr/>	
Net Federal Fiscal Impact	\$50,229,641,000

State by State Costs of Illegal Immigration

State	# of Illegal Aliens	# of Illegal Aliens & their Kids	Adjusted COLI	Cost Per Alien to State Taxpayers	Cost Of Illegal Aliens To State Taxpayers	Cost of Illegal Aliens & their Kids to State Taxpayers
California	3,226,000	4,373,000	1.230	\$ 7,074	\$ 22,821,903,942	\$ 30,936,201,468
Texas	2,226,000	2,992,000	0.836	\$ 4,466	\$ 9,942,111,305	\$ 13,363,340,982
Florida	1,185,000	1,595,000	0.928	\$ 5,040	\$ 5,972,788,206	\$ 8,039,322,522
New York	1,081,000	1,453,000	1.212	\$ 6,846	\$ 7,400,654,942	\$ 9,947,411,314
New Jersey	697,000	937,000	1.120	\$ 5,625	\$ 3,920,584,853	\$ 5,270,571,029
Illinois	628,000	845,000	0.898	\$ 4,636	\$ 2,911,654,025	\$ 3,917,751,037
Georgia	514,000	692,000	0.832	\$ 4,386	\$ 2,254,644,675	\$ 3,035,436,022
North Carolina	488,000	657,000	0.874	\$ 4,781	\$ 2,333,226,108	\$ 3,141,249,083
Arizona	453,000	610,000	0.893	\$ 5,230	\$ 2,369,284,949	\$ 3,190,427,856
Virginia	419,000	563,000	0.940	\$ 5,038	\$ 2,110,828,714	\$ 2,836,268,654
Maryland	350,000	471,000	1.194	\$ 6,123	\$ 2,143,152,396	\$ 2,884,070,796
Washington	346,000	466,000	0.981	\$ 5,630	\$ 1,947,937,290	\$ 2,623,522,477
Nevada	293,000	395,000	0.939	\$ 5,028	\$ 1,473,177,349	\$ 1,986,024,071
Massachusetts	292,000	393,000	1.196	\$ 7,396	\$ 2,159,721,305	\$ 2,906,748,195
Colorado	278,000	374,000	1.016	\$ 5,191	\$ 1,443,024,697	\$ 1,941,335,384
Pennsylvania	251,000	338,000	0.944	\$ 4,845	\$ 1,216,181,625	\$ 1,637,726,651
Michigan	185,000	248,000	0.827	\$ 4,525	\$ 837,055,573	\$ 1,122,106,931
Oregon	181,000	243,000	1.177	\$ 6,030	\$ 1,091,347,377	\$ 1,465,179,075
Connecticut	167,000	225,000	1.194	\$ 5,694	\$ 950,901,447	\$ 1,281,154,644
Tennessee	162,000	218,000	0.829	\$ 4,456	\$ 721,798,530	\$ 971,309,133
Indiana	154,000	207,000	0.838	\$ 4,451	\$ 685,394,297	\$ 921,276,750
Minnesota	140,000	187,000	0.922	\$ 4,692	\$ 656,934,062	\$ 877,476,212
Utah	137,000	185,000	0.874	\$ 5,033	\$ 689,499,518	\$ 931,075,992
Oklahoma	136,000	183,000	0.824	\$ 4,278	\$ 581,796,674	\$ 782,858,760
Ohio	132,000	178,000	0.857	\$ 4,411	\$ 582,270,353	\$ 785,182,749
New Mexico	119,000	160,000	0.889	\$ 4,628	\$ 550,760,808	\$ 740,518,733
South Carolina	117,000	157,000	0.929	\$ 4,752	\$ 555,936,741	\$ 746,000,585
Wisconsin	111,000	150,000	0.891	\$ 4,633	\$ 514,282,563	\$ 694,976,436
Kansas	104,000	140,000	0.842	\$ 4,308	\$ 447,982,255	\$ 603,053,035
Arkansas	97,000	131,000	0.813	\$ 4,475	\$ 434,102,463	\$ 586,262,089
Louisiana	97,000	131,000	0.867	\$ 4,613	\$ 447,503,641	\$ 604,360,588
Alabama	91,000	122,000	0.838	\$ 4,298	\$ 391,086,456	\$ 524,313,710
Missouri	77,000	104,000	0.833	\$ 4,446	\$ 342,317,218	\$ 462,350,529
Kentucky	69,000	94,000	0.875	\$ 4,579	\$ 315,944,133	\$ 430,416,645
Hawaii	63,000	84,000	1.735	\$ 9,178	\$ 578,184,869	\$ 770,913,158
Idaho	62,000	83,000	0.839	\$ 4,880	\$ 302,552,823	\$ 405,030,392
Nebraska	56,000	75,000	0.868	\$ 4,495	\$ 251,721,107	\$ 337,126,482
Iowa	55,000	74,000	0.853	\$ 4,352	\$ 239,356,102	\$ 322,042,755
Rhode Island	42,000	57,000	1.139	\$ 5,487	\$ 230,445,009	\$ 312,746,797
Washington DC	38,000	51,000	1.417	\$ 7,569	\$ 287,622,055	\$ 386,019,073
Delaware	35,000	47,000	0.948	\$ 5,201	\$ 182,021,162	\$ 244,428,418
Mississippi	34,000	45,000	0.786	\$ 4,169	\$ 141,758,417	\$ 187,621,434
Alaska	15,000	21,000	1.216	\$ 6,192	\$ 92,885,562	\$ 130,039,073
New Hampshire	14,000	19,000	1.091	\$ 5,659	\$ 79,232,741	\$ 107,530,149
Maine	12,000	16,000	1.063	\$ 5,650	\$ 31,807,322	\$ 42,496,390
Vermont	10,000	13,000	1.116	\$ 5,743	\$ 32,335,129	\$ 43,201,571
South Dakota	9,000	12,000	0.926	\$ 4,742	\$ 26,695,927	\$ 35,667,276
Wyoming	8,000	10,000	0.876	\$ 4,520	\$ 25,445,858	\$ 33,997,112
Montana	8,000	10,000	0.906	\$ 5,196	\$ 29,251,625	\$ 39,081,833
North Dakota	6,000	9,000	0.918	\$ 4,806	\$ 27,057,058	\$ 36,149,768
West Virginia	6,000	9,000	0.881	\$ 4,431	\$ 24,945,830	\$ 33,329,047
App. 15,516,000	App. 20,852,000				\$85,801,109,086	\$ 115,654,701,582

*totals may vary slightly from elsewhere in this report due to rounding.

Estimated Total State Taxes Collected from Illegal Aliens: \$15,172,140,000

Total Net Cost of Illegal Immigration on States and Localities: \$100,482,561,582



Part II: State and Local Expenditures and Receipts



State Education Costs

Education

Public School Expenditures

\$70,401,000,000

FAIR recently completed a comprehensive analysis of K-12 education costs associated with mass immigration into the United States entitled: *The Elephant in the Classroom: Mass Immigration Imposing Colossal Cost and Challenges on Public Education*.¹³¹ This report also provided an estimate of the education costs associated with illegal immigration.

A significant number of the students in the United States are the children of illegal aliens. As of the 2021-2022 school year, FAIR estimates that 5.1 million public school students – roughly 6.5 percent of total U.S. enrollment – are the children of illegal aliens or are illegal aliens themselves.¹³²

Most of the children from illegal alien households are designated as having Limited English Proficiency (LEP). It is estimated that only 7 percent of illegal alien households speak English as their primary language at home. Furthermore, only 25 percent of all illegal aliens can speak English at a proficient level.¹³³ LEP students cost roughly 15 percent more to educate than non-LEP students.¹³⁴

Based on the same methodology from our comprehensive K-12 Education report, updated to account for the current illegal alien population, at least 3.8 million children of illegal aliens qualify as LEP,

costing taxpayers approximately \$58.8 billion. Additionally, the education of non-LEP children of illegal aliens costs taxpayers approximately \$16.9 billion, meaning it costs U.S. taxpayers approximately \$75.7 billion to educate the children of illegal aliens.

The vast majority of this cost falls to the states via an unfunded mandate handed down from the U.S. Supreme Court in its ruling in *Plyler v. Doe*.¹³⁵ In fact, 98.9 percent of all LEP costs, and 92.1 percent of overall education funding, are borne by state and local governments.¹³⁶ Applying both of these totals to the aforementioned totals indicate that states shell out approximately \$70.4 billion to pay for K-12 education costs associated with illegal immigration.

Post-Secondary Tuition Assistance

\$2,789,760,000

Title IV of the Higher Education Act precludes illegal aliens from receiving federal tuition grants, loans, or work assistance under the act, and requires recipients to be citizens, permanent residents, or be eligible for permanent residency.¹³⁷ In addition, a provision in the Illegal Alien Reform and Immigrant Responsibility Act of 1996 (IIRIRA) prevents states and their subdivisions from offering postsecondary education benefits, like in-state tuition, to illegal aliens on the basis of state residence if U.S. citizens residing in other states are not offered the same benefit.¹³⁸ However, largely in response to the efforts of illegal alien advocacy groups, eleven states began offering in-state tuition to illegal aliens by 2010 by arguing that illegals were charged in-state tuition on the basis of local high-school attendance and graduation rather than their state of residence. Three of those states offered scholarship assistance to students who are unlawfully present.

In the years since then, that number has increased significantly. According to the National Conference of State Legislators¹³⁹ and research into state legislation, there are now 24 states and the District of Columbia that fully allow illegal aliens to receive in-state tuition at their public universities. This means that significantly more illegal aliens are eligible for grants, state-funded scholarships and subsidized loans, driving up higher education costs for states. Several other states permit illegal aliens to receive in-state tuition only in portions of their university system or restrict in-state tuition to illegals with DACA status.

It is often the case in states with no legislation on the matter that access to in-state tuition is granted under a “don’t-ask-don’t-tell” policy, with university administrations simply declining to solicit any information on a student’s immigration status. In states that do not offer in-state tuition to illegal aliens, it is also likely that many unlawfully present students still receive in-state tuition rates because few states verify the immigration status of enrollees by using the Systematic Alien Verification for Entitlements (SAVE) database.

Several of the states that allow illegal aliens to pay in-state tuition have also extended state-funded financial aid to illegal aliens to counterbalance the ban on federal funding. Of the six most populous

states, California, Texas, New York, and Illinois allow in-state tuition and state funding for illegal alien college students. These states spend nearly \$100 million annually supporting illegal alien students with taxpayer funds, and many university administrators in California even bemoan the fact that illegal students aren't using all the aid the government provides.¹⁴⁰

An increasingly hospitable political climate and the continuation of DACA have led to the steep growth in the numbers of illegal aliens receiving post-secondary education in the United States. Community college systems are significant, but under-referenced, contributors to this growth, as the vast majority (60%) of illegal alien post-secondary students attend community colleges rather than four-year universities. Community colleges, like four-year universities, charge out-of-state tuition rates and allow students to receive state education aid, representing significant costs to the taxpayer when illegal aliens are allowed to access benefits that Americans from other states cannot.

Enrollment data for illegal aliens in public post-secondary schools is sparse, especially in states that do not explicitly bar or permit illegal aliens to receive benefits. To estimate the cost to taxpayers of granting in-state tuition to illegal aliens, FAIR first must estimate how many illegal aliens are enrolled in post-secondary education. By extrapolating from known enrollment values for illegal alien students in certain states, as well as government data on the makeup of the illegal alien population and their choices in higher education, FAIR can determine the size of the illegal alien post-secondary population and their distribution among states. This population, as well as the costs associated with it, has increased significantly since FAIR's last cost study. FAIR then estimates the cost of enrollment and aid based on population, state-level costs, and the proportions of students attending different categories of university.

Significant costs come from both the difference between in-state and out-of-state tuition and from financial aid given to illegal alien students where allowed. Because of their low average family incomes, illegal aliens tend to receive higher amounts of state financial aid than citizen or visa-holder students in states that allow aid. FAIR is able to account for the majority of students who do not hold DACA status but are still permitted to pay in-state tuition in many states. We can also determine the significant increases in financial aid offered to illegal alien students by states like New York and Illinois since the last version of this study was issued. However, these costs are still likely to be an understatement.

Even in states that do not permit in-state tuition or financial aid to illegal alien students, fraud, document theft or misuse, or simple "don't ask, don't tell" policies certainly allow at least some illegal aliens to obtain in-state benefits in those states.

The states that bear the greatest fiscal impact from their in-state tuition benefit to illegal aliens are California (\$816M), Texas



(\$459M), Florida (\$228M), New York (\$226M), and Illinois (\$134M). These states, 5 of the 6 most populous, account for two-thirds of the total cost of approximately \$2.789 billion that illegal aliens cost in in-state tuition and financial aid. All of these states have large populations of illegal aliens, and in all but Florida, state laws actively permit illegal aliens to take advantage of the financial aid the state offers on the basis of need.

Total State Educational Expenditures

K-12 Public School	\$70,401,000,000
Post-Secondary Tuition Losses/Financial Aid	\$2,879,760,000
<hr/>	
Total Educational Expenditures	\$73,280,760,000



State Medical Costs

State Medical Costs

Illegal aliens access taxpayer-supported medical assistance at the state level in several ways. First, the Emergency Medical Treatment and Labor Act (EMTALA) of 1986 requires that public hospitals provide emergency medical assistance regardless of the patient’s ability to pay. Thus, low-income individuals lacking health insurance, including illegal aliens, often rely on hospital emergency rooms as a source of free or low-cost healthcare. This abuse of EMTALA leads to significant hospital operating costs, because EMTALA does not reimburse hospitals for these services.

EMTALA also requires that hospitals provide care for indigent mothers who give birth in emergency rooms regardless of their ability to pay, so many illegal aliens rely on emergency care facilities for child delivery as well. EMTALA even covers delivery costs for mothers who deliberately cross the border specifically for the purpose of accessing U.S. hospitals, adding further to the expenses imposed on healthcare providers. Tens of thousands of women come to the United States with the express intent of giving birth every year, including thousands of illegal aliens.¹⁴¹ In addition to taking advantage of better healthcare facilities, migrants engage in this “birth tourism” primarily to ensure that their child is born a U.S. citizen.¹⁴²

While hospitals near the border bear the brunt of this financial burden, states far from the Southwest

Border are feeling the strain as well. New York City provides a powerful illustration of the fiscal costs imposed on local taxpayers by furnishing free healthcare to illegal aliens:

“At an April [2016] press conference, Dr. Ram Ramu, [a New York City health official], said that caring for [illegal aliens] consumes about one-third of his \$7.6 billion annual budget. Rounding down, that means that \$2.5 billion — of which the city is picking up an increasingly large chunk every year, as state and federal aid dries up — goes toward providing health care to illegal aliens in New York.”¹⁴³

Although it’s unlawful to utilize federal funds to provide non-emergency healthcare for most illegal aliens, some states and local governments use their own funds to offer coverage to illegal alien children. For example, the “Healthy Kids” program in San Francisco covers uninsured children under the age of 19, including illegal alien children. Similarly, the “All Kids” program in Illinois covers all children under the age of 19 whose families meet program income requirements, regardless of immigration status.¹⁴⁴

Additionally, a number of states are expanding other statewide health benefits to illegal aliens. For example, California has expanded Medi-Cal to cover many illegal aliens. Washington State is slated to start offering coverage to illegal aliens in 2023.¹⁴⁵ The costs of these programs are covered later in this section.

Medicaid births \$937,863,000

States pay a matching share for all Medicaid births, as mentioned in the federal portion of this cost study. For most Medicaid expenses, this comes out to nearly 63 percent of the total cost of this program.¹⁴⁶ After subtracting costs covered by health insurance, for those illegal aliens who have it, the total reported cost of Medicaid birth for illegal aliens comes out to \$2.53 billion, with \$1.6 billion covered by the federal government. This leaves the states with a burden of \$937,863,000. (See the federal portion of this report for further details on this issue.)

Uncompensated Medical Expenses \$4,501,175,000

As noted earlier, unpaid medical expenses incurred by uninsured illegal aliens typically fall to the states. Most of these come from unpaid visits to emergency rooms. The Kaiser Family Foundation estimated that, in 2017, states paid for \$11.9 billion in total uninsured medical costs, which comes out to approximately \$14.45 billion in 2022 dollars.¹⁴⁷

Only about 47 percent of illegal aliens have health insurance, leaving about 8.2 million illegal aliens uninsured.¹⁴⁸ Many of those who do have health insurance do not have comprehensive plans, leaving them uncovered for certain ailments. In the first quarter of 2022, according to DHHS, there were about 26.4 million uninsured people in America.¹⁴⁹ Since the implementation of the ACA, illegal aliens constitute a growing share - now approximately 31 percent - of the overall uninsured population. That

indicates a total state-level expenditure of approximately \$4.5 billion for uncompensated medical expenses incurred by those illegally present.

Improper Medicaid Payments **\$4,696,983,000**

As described in the federal expenditures section, there is significant evidence of fraudulent use of Medicaid by illegal aliens. When we calculate the shared costs between states and the federal government, the amount paid by states is approximately \$4.7 billion.¹⁵⁰ (See the federal portion of this report for further commentary on this issue and an explanation of our methodology.)

Medicaid for U.S.-born Children of Illegal Aliens **\$3,162,623,000**

Sixty-three percent of the Medicaid costs for U.S.-born children of illegal aliens are shouldered by the federal government. That amounts to approximately \$5.4 billion of the total \$8.5 billion cost, leaving the states with a cost of \$3.16 billion.¹⁵¹ (See the federal portion of this report for further commentary on this issue and an explanation of our methodology.)

Medi-Cal Expansion **\$4,802,094,000**

Beginning in May 2022, California expanded access to Medi-Cal, the state's Medicaid program, to all illegal alien adults over 50. As of the end of reporting year 2022, this policy provides free state-funded medical care to more than 304,000 illegal aliens.¹⁵² This drastic change follows a significant expansion enacted in 2020 that provided full Medi-Cal coverage to illegal aliens aged 19-25, which added state-funded coverage for at least another 116,000 illegal aliens.¹⁵³ Because another (at least) 142,000 income-eligible illegal alien children under 18 were already included in the Medi-Cal system,¹⁵⁴ California effectively provides healthcare to all illegal aliens under 26 or over 49.

This additional coverage represents a significant burden on the state's finances, reflecting especially high demands that older illegal aliens place on the healthcare system.¹⁵⁵ After accounting for average Medi-Cal expenditures and estimates of the proportion of California's population with a disability,¹⁵⁶ the total spending on the expansion for illegal aliens over 50 in California accounts for nearly \$3.7 billion. The previous expansion of Medi-Cal to illegal alien adults aged 19-25 added around \$750 million, while existing Medi-Cal spending on illegal immigrant minors totals around \$360 million.

It must be noted that the government of California, led by Governor Gavin Newsom, has proposed an expansion of Medi-Cal coverage to all income-eligible illegal aliens beginning after January 1, 2024. The government of California itself estimates that this expansion would cost approximately \$819 million to enact, and reach a full annual expenditure of \$2.7 billion in the future.¹⁵⁷ If enacted, this total would be in addition to the current costs. Because federal aid matching funds cannot be spent on programs that only benefit illegal aliens, California taxpayers are footing this entire bill, and will be on the hook for all future expansions of the program.

Other State Programs

\$526,098,000

Like California, other states have expanded various health insurance coverage to illegal aliens to varying degrees. Generally, this coverage is restricted to children or pregnant/postpartum women. However, Illinois has taken after California in progressively expanding state-funded coverage to older illegal aliens, with any illegal alien over the age of 42 now able to enroll in state-funded care in addition to all minors. State statistics on the expansion program¹⁵⁸ indicate that total annual spending on these covered populations clocks in at just over \$460 million annually.

As of mid-2022, the state of Oregon has also aggressively moved to expand its state-funded Medicaid coverage to illegal aliens. Oregon's Cover All Kids program funds medical services for illegal alien children under 19, at a conservatively estimated annual cost of around \$15.2 million based on state data,¹⁵⁹ and the state legislature has authorized \$50 million in annual spending on health coverage for illegal alien adults.¹⁶⁰ Several other states like Vermont, Rhode Island, and Maine have established programs that provide health insurance to illegal aliens under 19, although due to the small population size of these states and the difficulty of finding concrete data the costs can be hard to estimate. Nevertheless, these states do incur costs in the millions of dollars annually by operating these programs, which cannot be federally funded.

The coming years are certain to see additional billions in state taxpayer dollars spent on healthcare for illegal aliens, none of which is reimbursable by the federal government. In 2022, multiple states adopted legislation expanding illegal aliens' access to medical benefit programs at taxpayer expense. The largest of these expansions will be in New York State, where full state-funded Medicaid coverage was approved in the 2022 state budget and will be provided to illegal aliens 65 or older once implemented.¹⁶¹ Coverage for this age group, as California and Illinois have proven, is extremely expensive. With Medicaid costing over \$20,000 a year per senior enrollee in New York,¹⁶² the fiscal impact of this expansion will cost billions once fully in place. Other relatively populous states like Colorado, Connecticut, New Jersey, and Washington also have programs set to go into effect in the coming years that will expand coverage to certain categories of illegal aliens.

Additionally, some other services are made available to illegal aliens through Medicaid programs in some states. For example, in New York, Medicaid for Emergency Care is used to provide chemotherapy and radiation to uninsured or underinsured illegal aliens with cancer. In twelve states - including New



York, California, North Carolina, Colorado, Illinois, and Washington State - it can be used to provide outpatient dialysis for illegal aliens. These are medically important procedures, but they impose a heavy burden on taxpayers who are attempting to deal with the increasing costs of providing healthcare for themselves and their dependents. Since detailed information is not made available on the extent to which illegal aliens are using these programs, we cannot affix a cost estimate to them.

Total State Medical Expenditures

Medicaid births	\$937,863,000
Uncompensated Medical Expenses	\$4,501,175,000
Improper Medicaid Payouts	\$4,696,983,000
Medicaid for Citizen Children of Illegal Alien	\$3,162,623,000
Medi-Cal Expansion	\$4,802,094,000
Other State Programs	\$526,098,000
<hr/>	
Total Medical Expenditures	\$18,626,836,000



Administration of Justice

Administration of Justice

Immigration enforcement is a completely federal responsibility — at least, that is the argument of those who oppose state and local efforts to cooperate with the Department of Homeland Security. But the costly truth is that state and local governments face extensive criminal justice expenditures related to the presence of illegal aliens.

These costs may be generally grouped into three categories: (1) Policing; (2) Judicial; and (3) Corrections.

Policing costs refer to the fiscal costs of police operations in response to criminal activity by illegal aliens, especially in municipalities where gang activity and drug trafficking is rampant.

Judicial costs refer to the cost of operating the judicial system for illegal aliens. These costs include providing pre-trial detention, court hearings, and probation of illegal aliens who stand accused of criminal offenses. These costs are significantly higher than average because of the frequent need for bilingual court services programs in order to ensure that due process requirements are met.

Corrections costs incorporate the cost to states and local jurisdictions for the incarceration of illegal alien criminals. The federal government operates a program to help defray the state and local costs of incarceration of illegal aliens, SCAAP (see Part I of this report). However, that program only covers a fraction of the expenses, around 2-5% of the costs reported by jurisdictions who apply for and win

grants.¹⁶³

The National Institute of Corrections provides estimates of the cost per prisoner expended by each state.¹⁶⁴ We use this data and assign costs for each state proportionate to the size of the illegal and deportable alien population reported by the local authorities to the Bureau of Justice Statistics.¹⁶⁵ This method, to varying degrees, understates these expenditures because not all jurisdictions that imprison illegal aliens participate in the SCAAP program, meaning that many states face expenditures proportional to the size of their criminal alien population, but are not reflected in federal compensation calculations. We estimate non-participating jurisdictions’ costs by their total illegal alien population and the average state correctional expenditure. Our estimations are listed below as an aggregate for all 50 states:

Policing	\$8,952,291,000
Judicial	\$3,720,668,000
Corrections	\$6,213,721,000

As is reflected in these figures, correctional expenses make up approximately a third of the total cost of illegal aliens in this section, with police expenses comprising nearly half of the total and judicial expenses making up the rest.¹⁶⁶

In FY 2020, the most current and complete year of statistics available, there was a sudden and significant decrease in the number of criminal aliens in custody due to the COVID-19 pandemic.¹⁶⁷ The number of criminal aliens in federal custody fell by 24% from 2019, and similar declines were registered in most states due to COVID-driven lenient release policies in jails and prisons across the country.¹⁶⁸ Nevertheless, an examination of state and local budgets indicate that, as a general rule, staffing costs did not appreciably decrease because of the temporary nature of the disruptions and rising personnel expenses. Costs are anticipated to increase further as the custodial population renormalizes in the coming years.

State Border Security Costs **\$3,135,000,000**

In addition to costs by ICE, CBP, the National Guard, etc., some border states also allocate money to their own law enforcement agencies to combat the public safety and national security threats associated with illegal migration. These costs are only necessary due to the federal government failing to properly secure the border. Some states even fund the deployment of National Guard Troops to support U.S. CBP.

The vast majority of state border security funding efforts come from Texas. For the past two legislative sessions, the state has reinforced its dedication to combat illegal immigration and the drug trade epidemic

until the federal government effectively addresses these issues. Arizona's approximately \$20 million border task force, one of the components of its greatly increased border funding, is also a relatively new endeavor with the same goal.

Listed below are the states that share a border with Mexico, along with the portion of their state budget that is *officially* dedicated to combating illegal immigration:

Texas: \$2.589 billion — The Texas Legislature meets every two years. Spending in the current legislative cycle is approximately \$4.5 billion, reflecting massive increases in illegal border crossings and state efforts to compensate for inadequate federal enforcement.¹⁶⁹ The Texas government has greatly increased spending on public safety in recent years and recently announced a further \$339 million increase in border funding outside the normal legislative appropriations cycle.¹⁷⁰ Meanwhile, the federal government has so far ignored Texas' requests for reimbursement of its funds spent on border security. Therefore, the entirety of these costs is being paid for by state taxpayers.

New Mexico: *Negligible* — Any state funds spent on border security are not specifically tracked or reflected in state or legislative budget records. Thus, while the New Mexico government does not appear to specifically designate any significant amount of state resources directly to border security measures, as its border is short and has difficult terrain. Of course, this doesn't mean that state and local law enforcement officers aren't expending additional effort and resources to combat the impact of illegal immigration.

Arizona: \$546 million — The Arizona government, like Texas, has drastically increased appropriations in recent years in response to a lack of federal action to secure the border. Arizona's H.B. 2317 recently appropriated \$335 million for state-level border wall construction and physical infrastructure to reinforce the border. Total budgetary expenditures on border security, including dedicated law enforcement and facilities construction, are \$546 million.¹⁷¹

California: *Negligible* — The California government does not allocate funding toward border security. On the contrary, the state government spent considerable time and expense litigating the Trump Administration's policies to improve border security. However, California benefits from being the first state in the U.S. to have its international border reinforced by wall. This effort began in the 1990s, when the Federal government constructed, and has since maintained, a wall along the busiest parts of California's border that has been extremely successful in preventing illegal immigration and drug/human trafficking directly into the state. Similar walls across the entire Southern border would quickly pay for themselves, and drastically reduce the need for states to divert tax dollars to fund border security measures.

The entirety of these costs are directly attributable to the failure of the federal government to secure the border and remove incentives that encourage illegal immigration. It's also important to note that the failure of the federal government to secure our borders has also resulted in enormous costs not directly reflected in state and local budgets, especially in small communities located near the border.

**Total State Administration of
Justice Expenditures**

Policing	\$8,952,291,000
Judicial	\$3,720,668,000
Corrections	\$6,213,721,000
State Border	\$3,135,000,000
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Total	\$22,021,680,000
SCAAP funds from Federal Government	-\$210,240,000
<hr/>	
Net Justice Expenditures	\$21,811,440,000



State Welfare Programs

State Welfare Programs

As noted in the Federal portion of this study, illegal aliens (with a few exceptions) are not considered “qualified aliens” pursuant to Title IV of the PRWORA of 1996.¹⁷² Therefore, most are ineligible state and local public benefits which are supplemented by federal funds, as stated in the act. However, the fact that most medical benefits exclude the majority of illegal aliens does not mean they receive no taxpayer-supported services.

Illegal aliens with certain designations, such as TPS status or recipients of parole with a set term of at least one year, are able to lawfully collect certain state benefits, even if they are supplemented by federal funds. Moreover, PRWORA contains a loophole that undermines its own declared intent by allowing states to extend state welfare benefits “through the enactment of a State law ... which affirmatively provides for such eligibility” so long as the funding is entirely sourced at the state level.¹⁷³ This creates a pull factor at the state level and saddles state taxpayers with additional costs.

In addition to the exceptions granted under PRWORA, the U.S.-born children of illegal aliens are eligible for virtually all state programs granted to U.S. citizens, granted they meet other eligibility criteria. There are also many recipients of welfare who obtain it by fraud.

Child Care and Development Fund (CCDF) \$171,033,000

In 2022, the state share of CCDF funding was \$1.8 billion. These costs were divided almost equally into state “Maintenance of Effort” programs and state-share matching funds.¹⁷⁴

As laid out in the federal section, FAIR estimates that 9.4 percent of the CCDF caseload consists of the children of illegal aliens. Applying that proportion to the state’s share of CCDF costs results in approximately \$171 million attributable to illegal immigration. For more details on the CCDF program and how illegal aliens utilize the program, see our analysis in the federal section of this report.

Temporary Assistance to Needy Families (TANF) \$1,432,105,000

TANF programs vary widely by state, which presents difficulties in estimating the amount of TANF funding attributable to the presence of illegal aliens and their citizen children who qualify for the program. As previously indicated in the federal portion of this report, however, we estimate that 9.4 percent of the TANF caseload is made up of the children of illegal aliens.

Overall state spending on TANF programs amounted to about \$15.2 billion in FY 2021.¹⁷⁵ This means that approximately \$1.43 billion of those funds are the result of illegal immigration.

Meals in Schools \$376,556,000

The federal free and reduced price meal program for K-12 students has a state matching requirement. State expenditures are much lower than they are at the federal level. To receive federal funding for subsidized school lunch programs, states must contribute matching funds equal to 30 percent of the federal funds they received in 1980. Because the matching funds requirements are frozen at 1980 levels, state required contributions are often very small relative to the federal reimbursement level.



The 1980 total cost to the federal government was approximately \$3.2 billion,¹⁷⁶ meaning that states are required to contribute at least \$960 million. As noted earlier, FAIR estimates that almost 8.3 percent of participants in this program are illegal aliens or the children of illegal aliens, meaning the total current state burden in this program would be a minimum of \$79.35 million.

The USDA has indicated in the past that federal funds and required matching state funds fall about 9 percent short of the full cost of this program, leaving the rest to local school districts.¹⁷⁷ The budgeted cost of this program was \$19.7 billion during the pre-pandemic year of 2019 (this combines the federal expenditures of \$18.8 billion and the \$960 million in required state contributions), implying a shortfall of \$1.77 billion. The illegal alien-attributable share of this is \$147 million. With the budgeted state share attributable to illegal immigration, the total comes out to slightly over \$226 million.

Moreover, to fully account for the costs of providing free or low-price school meals to the children of illegal aliens (both foreign and U.S.-born) we must consider recent temporary funding measures and account for more permanent spending which began during the COVID-19 pandemic. As mentioned in the federal section, from 2020 to 2022 federal spending was significantly, but temporarily, increased to allow all pupils to receive free school lunches and breakfasts. Once these benefits expired as of the 2022-2023 school year, some states decided to either extend free school meals using their own funds (e.g., Massachusetts, Nevada, Vermont) or permanently implement state-funded universal free school meals (California, Colorado, Maine).¹⁷⁸ California committed to allocating \$650 million annually to this program; Colorado’s program costs \$100 million per year (and is being funded by limiting state income tax deductions for households making more than \$300,000 a year); and Maine’s program is estimated to cost \$34 million annually.¹⁷⁹ FAIR estimates that the additional costs of these programs attributable to the children of illegal aliens amount to \$150 million annually.¹⁸⁰ In total, the state-level burden of illegal aliens on school meal funds amounts to \$376.6 million.

Supplemental Security Income (SSI) and other Cash-Related Welfare Programs

In addition to federal funding and federally-administered state supplements, most states also administer their own supplemental SSI payments. Delaware, the District of Columbia, Iowa, Pennsylvania, and Rhode Island pay out both Social-Security-Administration-administered state supplements as well as their own.¹⁸¹ Because these state-administered programs vary from state to state, and many of them do not release ample budgetary information, FAIR does not endeavor to estimate what proportion of these funds are attributable to illegal immigration.

Total State Welfare Expenditures

Child Care and Development Fund (CCDF)	\$171,033,000
Temporary Assistance to Needy Families (TANF)	\$1,432,105,000
Meals in Schools	\$376,556,000
Total Welfare Expenditures	\$1,979,694,000



Total State Expenditures

Total State Expenditures

The total fiscal burden of illegal immigration on state taxpayers has now reached a staggering \$115.6 billion, which is 30 percent more than it was in 2017. The primary reasons for this, aside from a rapid increase in the illegal alien population, are that a number of states have opted to expand access to state welfare, education, and medical programs to illegal aliens. These expansions have led to taxpayers paying tens of billions in additional funding to cover these costs.

Concerningly, as will be seen in the following section, the taxes paid by illegal aliens to state and local governments fall far short of making up for the numerous additional state-funded benefits they are receiving. Moreover, with many states set to begin offering even more benefits to illegal aliens, as mentioned previously, these costs are only expected to increase even further.

Total State and Local Expenditures

Total Education Expenditures	\$73,190,760,000
Total Medical Expenditures	\$21,811,439,000
Total Administration of Justice Costs	\$18,626,836,000
Total Welfare Expenditure	\$1,979,694,000
State and Local Total	\$115,608,729,000



State and Local Taxes Collected

State and Local Taxes Collected

As with federal costs, state and local costs are offset - to some degree - by the taxes illegal aliens pay. As noted in the Federal taxes portion of this section, proponents of illegal immigration argue that the taxes paid by illegal aliens result in a net boon to state and local coffers. However, this is a spurious argument. Evidence shows that the tax payments made by illegal aliens fall far short of covering the costs of the services they consume.

It is also important to note that calling illegal alien tax payments a net receipt is a mischaracterization. The overall wage depression inflicted on local labor markets by the presence of large numbers of illegal aliens willing to work for less than market rates has far-reaching fiscal implications that are often not quantified on average balance sheets. Low-wage workers generally access more government benefits than higher-paid employees. Furthermore, illegal aliens also tend to remit large portions of their earnings back to their home countries, and thus less money is incorporated back into local economies and less is paid in local sales and excise taxes. However, because this study looks at the fiscal impacts of illegal immigration, and tax collections are a fiscal offset, we do our best to estimate how much of the fiscal costs borne by taxpayers are reduced by taxes paid by illegal aliens.

Illegal aliens are not typical taxpayers. First, the large percentage of illegal aliens who work in the underground economy avoid paying any income tax at all. Those that do work in the formal economy often receive back more than they pay to the federal government through refundable tax credit programs. Finally, the average earnings of illegal alien households are considerably lower than earnings of legal aliens and native-born workers, thus they typically fall into the lowest tax brackets.

Disposable Income Profile of Illegal Aliens at the State and Local Level

FAIR estimates there are about 7.9 million illegal aliens participating in the aboveground economy, with approximately 7.5 million currently employed.¹⁸² As noted previously, the average household headed by an illegal alien earns approximately \$40,800 annually. However, those working in the underground economy are estimated to earn far less.

Since a significant portion of state and local taxes are levied on spending instead of income, in forms such as sales and excise taxes, it's important to recognize the negative impact of remittances on the amount of state and local taxes collected. The term "remittances" in the context of illegal immigration refers to money earned in the United States that is transferred to relatives, friends or business associates who still live abroad.¹⁸³ A 2019 FAIR study estimates that the average illegal alien remits approximately 20 percent of their gross income out of the country. This comes out to approximately \$8,160.¹⁸⁴

Remittances by both lawful and illegal aliens harm state and local governments, as they lower overall disposable income, local spending, and related revenue. Despite this lower disposable income, illegal aliens still often use state and local services that rely on spending-based taxation at rates similar to native-born citizens. These include services such as fire and police assistance, public roads, other public transportation infrastructure, and public schools.

Currently, only Oklahoma has a "remittance tax," which places a \$5 or 1 percent fee (whichever is greater) on all outgoing, out-of-state money transfers.¹⁸⁵ This tax helps the state recoup lost tax dollars stemming from income sent out of the state primarily by immigrants, including illegal aliens. It is estimated that if a similar tax were instituted nationwide, the federal and/or state governments could recoup more than \$2 billion in lost tax revenue from migrants remitting their income to other countries.¹⁸⁶

Factoring in remittances, we construct the disposable income profiles of illegal aliens by first estimating their incomes in each state. We then account for the sum of federal taxes paid versus credits received,¹⁸⁷ as well as the amount of state income taxes paid (in states that have a state income tax) versus credits received. Finally, other state taxes, such as property tax, must be considered. Based on the methodologies detailed in the Federal taxes portion of this study, as well as the forthcoming sections on specific state taxes, the average illegal alien has a disposable income of approximately \$28,144 annually.

Income Tax Receipts

\$5,728,653,000

As noted in the Federal portion of this cost study, most illegal alien households will have little income tax liability, if any at all, and millions more avoid liability by working in the “underground economy.” For the most part, this holds true at the state level as well.

Nearly 30 percent of all illegal aliens in the United States reside within the nine states without a state income tax: Texas, Florida, Nevada, Washington, Wyoming, Tennessee, New Hampshire (which only taxes dividends and interest), Alaska, and South Dakota.¹⁸⁸ In California, where approximately 21 percent of the nation’s illegal aliens reside, the tax bracket for those making the estimated wage for illegal alien households in the state is a measly 2 percent.

In addition, FAIR estimates that 25 percent of all illegal alien households work in the underground market. This means that a significant majority of illegal aliens will pay little or no state income tax.

FAIR estimates the total amount of state income taxes paid by illegal aliens by adjusting the nationwide average income per illegal alien household higher or lower for each state based on how much the average income varies from the overall national average.¹⁸⁹ We then analyze the tax rates for each of these states, minus standard deductions, to determine the effective average tax bracket for illegal alien households in each state.¹⁹⁰ After using this data to determine the average amount paid per household, we multiply that number by the estimated total number of tax-paying illegal alien households employed in the aboveground economy.¹⁹¹ Nationwide, that total comes out to approximately \$5.7 billion.

Property Tax Receipts

\$3,152,993,000

Families who own residences are subject to property taxes. Individuals living in rental property do not pay property taxes directly, although their monthly rent is likely calculated to subsidize a portion of their landlord’s property taxes.

For states that host the largest number of illegal aliens, property taxes hover right under the 1 percent mark. In addition, in many states like Texas and Florida, property can be purchased at prices considerably lower than the national average.

Of course, illegal alien households are far less likely to be homeowners than U.S. citizens. According to the Pew Research Center, illegal alien households are half as likely to own property as native-born households.¹⁹² Based on data from the 2020 ACS, approximately 70 percent of all households owned their own property. This means that, most likely, about 35 percent of illegal alien households own property.¹⁹³ According to the Wells Fargo Home Affordability Calculator,¹⁹⁴ an illegal alien household making the average wage in a city with an average cost of living index would be able to afford a residence costing

no more than \$150,000. Using this as the mean home value and an average annual property tax of 0.90 percent, it can be estimated that illegal aliens pay approximately \$3.2 billion annually in property taxes.

State Fuel Taxes

\$1,440,000,000

The average state fuel tax for the United States comes out to 38.69 cents per gallon, according to the American Petroleum Institute.¹⁹⁵ Average fuel taxes have remained significantly more stable than the national gas price average, which currently fluctuates around \$3 per gallon, excluding a significant drop during much of 2020 due to the COVID-19 pandemic. The overall average price for unleaded gasoline at the end of 2022 was approximately \$3.20 per gallon.¹⁹⁶ As noted earlier in this report, the average American purchased approximately 592 gallons of gasoline in 2021, and we estimate that the average illegal alien purchased approximately 414 gallons under the assumption that they drive somewhat less on average than U.S. citizens and lawfully present migrants.

Based on these calculations, the average illegal alien driver spends somewhere around \$1,325 annually on fuel, \$160 of which would go to state-level fuel taxes. Based on our earlier estimate that there are about 9 million illegal alien drivers in the United States, this means that they contribute approximately \$1.4 billion in state fuel taxes. This considerable increase since our last report is due to the fact that an increasing number of illegal aliens are comfortable driving due to the significant increase in the number of states that offer driver's licenses to illegal aliens.

State Sales and Excise Tax Receipts

\$4,850,494,000

To calculate state sales and excise tax receipts, we take an alien's total disposable income, then determine what percentage of that will be spent on goods and services that are subject to the tax. We then estimate the overall average sales and excise tax rate for the average illegal alien based on their population distribution and the applicable tax rates in each state.

In almost every state, staple groceries and most other food items are exempt from sales tax. According to the USDA, the average family spent approximately 10.3 percent of their disposable personal income on groceries in 2021.¹⁹⁷ For



illegal alien households, this amounts to \$2,896 annually. However, due to their lower average income, it can be assumed that they likely spend a higher proportion of their income on groceries.

Fuel and housing taxes are included separately in this report, so spending on those categories should be subtracted as well. The average illegal alien spends about \$1,325 annually on fuel, as mentioned previously. The Bureau of Labor Statistics (BLS) estimates that the average American family spends 25.9 percent of their gross income on housing.¹⁹⁸ This totals approximately \$10,567 for illegal aliens. Again, since their incomes are significantly lower than the average American citizen, it's almost certain that housing costs account for a greater proportion of their budget.

There are other categories that may be exempt from sales tax in certain states. For example, many digital items such as streaming services, e-books, and digital copies of music and movies are exempt in many states. Other states exempt certain categories of clothing from sales tax. In addition, many states have sales tax holidays. It is difficult to estimate how much illegal aliens are spending on these items.

Based on the above analysis, we believe a safe assumption is that no more than 30 percent of the disposable income from illegal alien households goes toward purchasing goods and services that are subject to sales tax. So, based on the population distribution of illegal aliens,¹⁹⁹ their average income, and the corresponding tax rates in each state,²⁰⁰ we estimate that illegal aliens pay a total of \$4.9 billion annually in sales and excise tax nationwide.²⁰¹



Net State Impact of Illegal Aliens

Total State Tax Receipts

Income Tax Receipts	\$5,728,653,000
Property Tax Receipts	\$3,152,993,000
Fuel Tax Receipts	\$1,440,000,000
Sales and Excise Tax Receipts	\$4,850,494,000

Total State Taxes Paid	\$15,172,140,000
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The state tax payments made by illegal aliens fall far short of the costs incurred by their presence, as detailed below. These figures negate the argument that illegal aliens represent a net economic benefit to the United States.

Total State and Local Expenditures	\$115,608,729,000
Total State and Local Tax Receipts	-\$15,172,140,000
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Net State and Local Fiscal Impact	\$100,436,589,000



Part III: Total Federal and State Fiscal Outlays

At the federal, state, and local levels, taxpayers shell out approximately \$182 billion to cover the costs incurred by the presence of more than 15.5 million illegal aliens, and about 5.3 million citizen children of illegal aliens. That amounts to a tax burden of approximately \$8,730 per illegal alien family member. These figures are before taxes paid by illegal aliens are factored in. The totals with taxes factored in are as follows:

Total Expenditures

Total Federal Expenditures	\$66,449,136,000
Total State and Local Expenditures	\$115,608,729,000
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Total National Expenditures	\$182,057,865,000

Net Tax Contributions

Net Federal Taxes Paid	\$16,219,495,000
Net State and Local Taxes Paid	\$15,172,140,000
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Total Net Tax Contributions	\$31,391,635,000

Total Cost of Illegal Immigration

Total National Expenditures	\$182,057,865,000
Minus Total Tax Contributions	\$31,391,635,000
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Total Fiscal Cost of Illegal Immigration on U.S. Taxpayers: \$150,666,230,000

Endnotes

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We used a similar methodology on the federally-administered state supplements in California, Delaware, the District of Columbia, Hawaii, Iowa, Michigan, Montana, Nevada, New Jersey, Pennsylvania, Rhode Island, and Vermont, taking into account that the illegal alien population (including U.S.-born children) accounts for 32 percent of the total national illegal alien (plus children) population

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