

June 29, 2010

Thank you for the opportunity to provide testimony. The Immigration Policy Center (IPC) is the research and policy division of the American Immigration Council (the Council). The mission of the Council is to strengthen America by honoring our immigrant history and shaping how Americans think and act towards immigration now and in the future. The Council exists to promote the prosperity and cultural richness of our diverse nation by educating citizens about the enduring contributions of America's immigrants; standing up for sensible and humane immigration policies that reflect American values; insisting that our immigration laws be enacted and implemented in a way that honors fundamental constitutional and human rights; and working tirelessly to achieve justice and fairness for immigrants under the law.

We believe strongly that an important component of ensuring America's future fiscal security and economic prosperity is comprehensive immigration reform. Truly comprehensive reform will address not only legalization of the roughly 10.8 million undocumented people in the United States today, but sensible enforcement strategies that prioritize those who seek to do us harm, and mechanisms for regulating future immigration flow—both permanent and temporary—that will support American businesses and ensure that American workers have opportunities to grow and prosper.

Why do we believe that comprehensive immigration reform should be a component of the Commission's plan? At a time when the budgets of federal, state, and local governments tend to contain more red ink than revenue, it is important to take stock of a few fiscal bottom lines about immigration enforcement and immigration reform. The federal government spends billions of taxpayer dollars every year on border and interior-enforcement measures intended to deter unauthorized immigration. While these efforts have failed to solve the problem of unauthorized immigration, they have had a negative impact on federal and state treasuries, and on the U.S. economy as a whole. Were the United States to adopt a different approach by implementing comprehensive immigration reform, the legalization of currently unauthorized immigrants alone would generate billions of dollars in additional tax revenue as their wages and tax contributions increase over time. Conversely, trying to remove roughly 12 million unauthorized immigrants from the country would waste of tens of billions of additional taxpayer dollars.

The federal government has for the past two decades attempted to impose a costly "enforcement-only" solution on unauthorized immigration, but without success. For instance, the annual budget of the U.S. Border Patrol stood at \$3.0 billion in Fiscal Year (FY) 2009—a nine-fold increase since FY 1992. The combined budgets of U.S. Customs and Border Protection (CBP), the parent agency of the Border Patrol within the Department of Homeland Security (DHS), and U.S. Immigration and Customs Enforcement (ICE), the DHS interior-enforcement counterpart to CBP, grew from \$9.1 billion in FY 2003 to \$17.2 billion in FY 2010. Yet, at the same time the

U.S. government has implemented a long series of enforcement-only measures along the border and in the interior of the country, the unauthorized-immigrant population of the United States has *tripled* in size, from roughly 3.5 million in 1990 to 11.9 million in 2008. Were the federal government to attempt deporting its way out of this situation, the price tag would be somewhere in the neighborhood of [\\$200 billion](#) over five years, according to a March 2010 study by the Center for American Progress.

A number of studies have demonstrated that, as opposed to wasting tax revenue, comprehensive immigration reform which includes a legalization component would actually increase revenues:

- A January 2010 study by Dr. Raúl Hinojosa-Ojeda, conducted for the Immigration Policy Center and the Center for American Progress, estimates that during the first three years after legalization, the higher earning power of newly legalized workers “would generate [\\$4.5 to \\$5.4 billion](#) in additional net tax revenue.”
- A January 2010 study from the University of Southern California estimates that because unauthorized immigrants earn less than they would if they had legal status, the California state government lost out on [\\$310 million](#) in income taxes in 2009, while the federal government missed out on [\\$1.4 billion](#).
- The 2006 immigration reform bill, which included a legalization program, would have more than paid for its reform provisions through increased tax revenue. The Congressional Budget Office and the Joint Committee on Taxation [estimated](#) that, as originally introduced on April 7, 2006, the Comprehensive Immigration Reform Act of 2006 would have generated \$66 billion in new revenue during 2007-2016 from income and payroll taxes, as well as various administrative fees. This additional revenue would have more than [offset](#) the \$54 billion in new “direct spending” during 2007-2016 for refundable tax credits, Medicaid, Medicare, Social Security, and food stamps for newly eligible immigrants and their families.

These studies, which we request be incorporated by reference into the written testimony, may also be accessed through our website at www.immigrationpolicy.org. There you will also find additional reference material that reinforces a fundamental point: a broken immigration system undermines efforts to restore the American economy because it drains resources, artificially reduces tax revenue, and limits further economic growth. If the goal of this Commission is to find sensible measures to improve our fiscal bottom line, we urge you to turn your attention to immigration reform.

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