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## New immigration attack: It's too pricey

By: Carrie Budoff Brown and Jake Sherman - April 9, 2013

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Immigration reform opponents are opening a new front in their bid to derail an overhaul bill: the price tag.

Conservatives contend that costs would be prohibitive — it's not just about paying for beefed-up border and employer enforcement, but accounting for the burden it would place on Obamacare, Medicare and other government programs in the decades to come.

The exact costs won't be clear until details of the bill are released and independent budget experts assess the impact of legalizing 11 million undocumented immigrants. Economists on the left and right have argued that the economic benefits outweigh the costs.

But armed with their own body of research, a network of opponents from Capitol Hill, a prominent Washington think tank and border-first groups are preparing to use the specter of the potential cost of an immigration overhaul and its drain on entitlements as their main line of attack.

They're in a race with proponents of immigration reform to frame the debate around costs, betting that they can kill the bill by capitalizing on anxiety over budget deficits, high unemployment, government overreach, Obamacare and the staying power of entitlement programs.

The Senate's Gang of Eight acknowledges the stakes: Sensitive to the current political environment, it's expected to produce a bill that the Congressional Budget Office would score as at least deficit-neutral over the next decade. They recognize that they won't be able to persuade many Republicans and some Democratic moderates to support a bill without it.

A bipartisan group of House immigration negotiators does not think it can do the same by producing a deficit neutral bill, according to sources familiar with the talks.

Regardless of what either group comes up with — or the nonpartisan Congressional Budget Office concludes — each will face a coordinated challenge.

“These costs are far larger than anyone imagines and would be increased substantially under amnesty,” said former Sen. Jim DeMint (R-S.C.), who now heads The Heritage Foundation. “In a time of trillion-dollar deficits and \$17 trillion in debt, the cost of every federal program should be of tremendous concern — especially if it's a program that will add new costs to a budget that's already severely in the red.”

The Heritage Foundation, stepping back into the role it played in 2007, will soon release an updated version of a report that dealt the final blow to the reform effort that year, when senior research fellow Robert Rector concluded that the bill would impose a net cost of \$2.6 trillion on taxpayers. Reform proponents dismissed the methodology as deeply misleading, failing to take into account the economic benefits of immigration. But the damage was done.

Sen. Jeff Sessions (R-Ala.), the ranking member of the Budget Committee, and outside groups such as Numbers USA, which favors restricting immigration, are aiming to replicate the success that they had in 2007 by zeroing in on the cost issue.

The difference this time around, overhaul advocates say, is that they have spent the past six years preparing for it, setting up research shops like the Immigration Policy Center and churning out a series of reports that frame immigration reform as an economic boost.

“We didn’t have the policy gravitas that we needed to make this case, the economic case,” said Marshall Fitz, a veteran of the 2007 fight who now heads immigration policy at the Center for American Progress. “We were good about the legal immigration policy to have it make sense, but we hadn’t done nearly enough to build the apparatus that was going to allow us to make the broader economic-implications argument. That is where we were caught flat-footed. We were very much myopic in the way we were looking at it.”

In recent days, however, conservative reform proponents have taken the lead in discrediting Rector.

The Cato Institute, a libertarian think tank, stepped out last week with an 11-point takedown of the 2007 Heritage study. The piece by Alex Nowrasteh, a Cato immigration policy analyst, drew notice not only because it came from within the conservative movement. The critique was scathing, calling into question almost every aspect of Rector’s methodology, conclusions and assumptions.

“I wanted to show that any piece they produce in the future based on the same methods shouldn’t be taken seriously,” Nowrasteh said in an interview. “The numbers are so extreme, so out there. And the numbers are so out there because their methodology is so flawed.”

Americans for Tax Reform, led by Grover Norquist, is blasting an email Tuesday morning to top House and Senate Republican aides that highlights the Cato analysis.

“Robert Rector’s work does not speak for the conservative movement,” the email states, adding that Rector’s conclusions conflict with those of other Heritage researchers who have touted the economic benefits of immigration reform. “In fact, it does not even speak for The Heritage Foundation.”

Michael Gonzalez, vice president of communications for Heritage, said the new report will take into consideration “any valid criticism from Cato or others.”

“It is highly unusual to see an attack on research before it is even presented,” Gonzalez said. “It indicates how powerful our research is and the impact that it has.”

The prebuttal speaks to the intensity of the cost debate and how crucial it is to the prospects of passing a bill.

Economists across the political spectrum have concluded that comprehensive immigration reform would boost the economy, and the CBO even scored the 2007 bill as a revenue generator.

The Gang of Eight's 13-year pathway to citizenship for undocumented immigrants would delay their access to government benefits such as Medicare, Medicaid and Obamacare subsidies, for at least a decade. That means those expenses would fall outside of the CBO's 10-year scoring window and not show up in its cost estimate.

Immigrants would add to the overall cost of these government benefits, but reform proponents argue that this pool of young, healthy workers would also be paying into the system. The CBO predicted the budget impact beyond the first decade of the 2007 reform bill would have been "relatively small."

Meanwhile, in the House, the cost of reforming the nation's immigration laws is a top concern as that chamber's group of Republicans tries to wrap up the details of its legislation.

House Republicans both in the working group and in leadership have no expectation that their bill will be budget-neutral.

"Almost everyone involved acknowledges that this will cost money, but the question is obviously how much," a senior GOP aide said. "A reasonable amount that covers the cost of bringing these folks in to the system and assimilating them is much different from flipping a switch and waking up the next morning with millions of new citizens totally or largely dependent on the government, which is the Democrat fantasy scenario."

They are mainly focused on how the emerging plan deals with entitlements for the newly documented. The CBO estimates the government will spend \$10,000 per year for each person added to Obamacare, a source familiar with the group's deliberations said. So the group is aiming to contain costs by ensuring that newly documented immigrants cannot take advantage of government health care before they gain legal permanent residence — at least 10 years after they gain initial legal status.

The most costly element over the next decade stems from implementing the legalization program and enforcement measures, including finishing the fence along the U.S.-Mexico border and beefing up a worker verification system for employers.

So the group has tried to limit how much government grows in their plan. For example, there was discussion about creating a new government agency to monitor newly documented workers during the probationary period. That idea was squashed when members of the group figured out that immigration courts and the U.S. Citizenship and Immigration Services could handle the workload.

There are other ways that the group will try to quell concerns about cost.

Republicans will make the argument that they are fixing a broken immigration system, which is important because it brings new taxpayers onto the books. They're also cleaning up a system they consider inefficient.

The group hasn't submitted legislative text to the CBO because the group is haggling over several issues, including the contours of a visa program for low-skilled workers. House Republicans have privately rejected the deal reached by the Senate Gang of Eight, the AFL-CIO and the U.S. Chamber of Commerce. They say it gives away too much to the unions.

Attempts to change elements of the bill — including cost — could come when an immigration bill reaches the Judiciary Committee for a markup. GOP leadership has privately said they would like to avoid lengthy committee hearings, but Rep. Raul Labrador (R-Idaho), a key member of the House negotiating group, said Monday that any bill must undergo a full public airing.

“I don't think I can support a bill that doesn't go through Judiciary,” Labrador said. “That's a major problem.”