

# THE HILL



## Report widens GOP immigration rift

By: Alexander Bolton – May 6, 2013

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Congressional Republicans were riven Monday by a report from a conservative group that estimated it would cost \$6.3 trillion to give legal status to the estimated 11 million immigrants in the nation illegally.

The report from the Heritage Foundation and its star president, former Sen. Jim DeMint (R-S.C.), sought to undermine support for a bipartisan Senate bill crafted by four Democrats and four Republicans, including Sen. Marco Rubio (R-Fla.), another shining star of the conservative movement.

It immediately provoked a furious debate on the right, with some conservatives backing Heritage and others lobbing criticisms at the conservative group.

Sen. Jeff Flake (R-Ariz.), one of the eight authors of the Senate bill, and House Budget Committee Chairman Paul Ryan (R-Wis.) defended the Senate bill and maligned the Heritage study for using a “static” budgetary scoring model that they claimed does not account for the economic boost provided by a wave of immigrant legalizations.

“Here we go again. New Heritage study claims huge cost for Immigration Reform. Ignores economic benefits. No dynamic scoring,” Flake tweeted.

Other conservative groups also bashed Heritage, while Senate Budget Committee Chairman Jeff Sessions (R-Ala.) rushed in to echo DeMint’s conclusions.

“At a time when our nation’s major entitlements are already nearing bankruptcy, we cannot afford to add another \$6.3 trillion in long-term net costs to already overburdened state, local, and federal governments,” Sessions (R-Ala.) said in a statement. Sessions said the bill will provide 30 million immigrants with legal status in addition to giving 27 million temporary work permits over the next decade.

Heritage predicted the federal government would pay out \$9.4 trillion more in federal benefits if legal status were granted to those in the country illegally. Over their lifetimes, those immigrants will pay only a fraction of that amount, \$3.1 trillion, in federal taxes, the report concluded.

“No sensible thinking person could read this study and conclude that over 50 years that this could possibly have a positive economic impact,” DeMint said Monday.

Flake and Ryan argue that the cost to the government will be much lower because immigration reform will boost the nation’s gross domestic product by increasing the labor force.

“The Congressional Budget Office has found that fixing our broken immigration system

could help our economy grow. A proper accounting of immigration reform should take into account these dynamic effects,” Ryan said in a statement.

The Heritage report threatened to provoke a backlash from conservatives who have been kept in check so far by Rubio, who has made many appearances on conservative television and radio shows to tout the 844-page bill, which the Judiciary Committee is set to mark up this week.

Rubio declined to comment on the Heritage study in the immediate wake of its release.

A similar study from the Heritage Foundation in 2007 fueled angst among conservatives that creating a pathway to citizenship for millions of illegal immigrants would have dire budgetary consequences, and helped derail comprehensive legislation that year.

DeMint said the projected costs have soared since 2007 because of a slower economy and expanded benefits for low-income people.

“The arithmetic now in immigration is different because of the huge increases of redistribution of income and the welfare state,” he said.

The Congressional Budget Office (CBO) signaled in a letter to Ryan last week that it will use dynamic scoring to gauge the cost of the legislation over only the next 10 years. The CBO is expected to release its analysis in the next several weeks.

The daunting fiscal projections also divided conservative groups who are traditionally allied in the fight to reduce the size of the federal government.

Americans for Tax Reform, headed by anti-tax advocate Grover Norquist, and the Cato Institute criticized Heritage for using a static budgetary scoring model after years of promoting dynamic scoring to estimate the cost of proposed tax cuts.

“Heritage has led the charge on pushing for dynamic scoring of any public policy change for decades now and for them to choose not to do so specific to the immigration bill is disappointing,” said Josh Culling of Americans for Tax Reform.

“By adding more workers into the U.S. economy, the size of the economy is able to expand, American firms are able to expand production and the 90 percent of American workers who have different skills than immigrants see increases in their wages and productivity,” said Alex Nowrasteh, an immigration policy analyst at Cato.

Heritage returned fire at its critics, arguing there is little evidence to show that granting citizenship to 11 million immigrants in 13 years will do anything to boost federal revenues enough to offset a massive drain on Medicare and Social Security.

The Heritage study reported that half of illegal-immigrant households are headed by persons without high-school degrees. In 2010, households headed by individuals without high-school degrees collected \$46,582 in government benefits and paid only \$11,469 in taxes.

DeMint played a central role in marshaling conservative opposition to the bill in 2007, and some Senate aides wondered if he would have as much of an impact after retirement.

“I feel like I’m more involved in House and Senate than I’ve ever been. At least it feels purposeful now,” he said in a telephone interview last week.