



Obama's immigration overhaul could put burden on states

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November 15, 2014

President Obama's looming announcement on major changes to the U.S. immigration system could take a financial and economic toll on the states, some critics say – as undocumented residents come out of the shadows and, in some cases, become eligible for benefits.

The White House has not confirmed the details or the timing of the president's executive action plan, but the president has vowed to act before year's end. As Fox News reported on Wednesday, the president could act as early as next week – and a draft document calls for giving millions of illegal immigrants a deportation reprieve as part of that plan.

This would immediately raise questions about the impact on states where illegal immigrant populations are concentrated.

"State and local governments and taxpayers will pay the price if President Obama takes immigration into his own hands," Republican Texas state Sen. Kelly Hancock told FoxNews.com in a statement.

The draft Obama plan calls for expanding a program known as "deferred action," which currently allows some undocumented residents who came to the U.S. as children to stay. The potential expansion would extend that to anyone who entered before they were 16, and before January 2010 – a change estimated to affect up to 300,000 people.

The bigger change would, according to the draft, extend the program to some illegal immigrant parents of U.S. citizens and legal residents – affecting up to 4.5 million people.

The impact on the states is a subject of speculation at this point, as it's unclear whether states would give these newly protected immigrants access to things like driver's licenses, health care and in-state tuition for college.

Dan Holler, spokesman for the conservative Heritage Action, said, for starters, "it will have a ripple effect on jobs" – because they likely would be handed a Social Security card and the ability to work in more varied occupations.

“That’s going to put extra pressure on a job marketplace that is, by most accounts, not doing so well,” he charged. “Some communities will be hit hard and others won’t, based on where the illegal immigration trends are, and what the job markets are like. There is a jobs component here that just can’t be ignored.”

While giving immigrants who are here illegally “deferred action” status likely would not make them eligible for green cards or the panoply of federal social services, including Medicaid, each state has its own laws dictating the level of state-funded benefits such as protected immigrants can get. Some are more generous than others. One guide would be how states reacted when the administration enacted the Deferred Action for Childhood Arrivals policy in 2012.

After that measure, the U.S. approved 550,000 applications. Five states had 60 percent of the approvals: California, Texas, Illinois, New York and Arizona, according [to a study](#) by the Brookings Institution. Those DACA immigrants are now able to get driver’s licenses in 10 states and access to in-state college tuition in 17 states.

California, Washington, Massachusetts, Minnesota, New York and Washington, D.C., also now offer low-income DACA recipients health insurance. Others states like Texas and Nebraska offered no new benefits under DACA.

Under any future changes, states like California and Texas probably would see the biggest impact based on their populations.

According to the most recent statistics by the Department of Homeland Security, there were 11.4 million people in the U.S. illegally in 2011. State Census figures in 2010 showed that 2.5 million lived in California and 1.6 million in Texas, representing 6.8 percent and 6.7 percent of their total populations, respectively. Many of those, particularly in California, may be eligible for new benefits, under any new deferred action policy. (Currently, however, 23 states already offer illegal immigrants a host of health care and other welfare services, with eligibility varying.)

“Right now it is up to the states what kind of care they want to give illegal immigrants. After DACA, some states gave illegal immigrants access to a full range of services, others did not,” said Jessica Vaughan of the Center for Immigration Studies, which opposes the push for an executive order.

“I think it is a very unsettled question, but I do believe the largest states will go ahead and make people eligible for their programs,” she added. “There’s not likely to be new tax revenue to pay for that [at the state level]. It’s just not there unfortunately.”

Not everyone sees the executive order plan as an economic negative. “There is a thorny constitutional question that needs to be addressed, but from a pure policy perspective such an action will have positive effects on the United States,” said Alex Nowrasteh, immigration policy expert at the libertarian Cato Institute.

“Legalizing some parts of the unauthorized immigration population will allow them to come forward,” said Nowrasteh. “It will also allow these unauthorized immigrants to be legal workers

which means they will become more productive, making higher wages, competing on a fair and even step with the rest of American workers.”

And as for paying for it, Wendy Feliz of the American Immigration Council said the millions of working immigrants who would be paying new taxes would be contributing to the revenue stream.

“They will get work permits now and that will ensure that 100 percent of them will be paying income taxes,” she told FoxNews.com “The states would benefit. Really, it would make them more accountable, it would make them pay more and they will be able to participate more.”

Republican Texas state Sen. Charles Schwertner, disagrees, saying he believes the states will be more fiscally burdened because Obama’s executive actions would encourage more illegal immigrants to enter the U.S. in the long run. He said Texas will continue to resist offering new services to unauthorized immigrants, “protected” or not.

“I guess it will put a strain on our medical system, our social safety networks,” he told FoxNews.com. “It encourages further lawlessness, and it is unfair to those seeking to immigrate legally.

“Texas is going to take the stand it needs to – we’re going to protect our citizens.”