

ISSUE BRIEF | AFPI- New Jersey

UNFETTERED ILLEGAL IMMIGRATION'S CRUSHING BURDEN ON NEW JERSEY

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It may surprise many Americans that the Statue of Liberty, long associated with New York and which has welcomed millions of immigrants as the first landmark signifying of a new life in the United States, is—in fact—located within New Jersey's state boundaries. Indeed, its location is fitting as the state has, for centuries, welcomed immigrants representing dozens of ethnicities, races, and nationalities. These immigrants have made their homes there, with many finding their American Dream and integrating into the fabric of the nation.

However, the paradigm of immigration has changed, in particular during the unprecedented mass illegal immigration which has been most acutely felt since 2021 under the Biden Administration's. Indeed, President Joe Biden's lax and dangerous border policies unleashed a wave of illegal immigration that is imposing an incredible burden on cities and local jurisdictions, including in New Jersey. In what is the most comprehensive and recent state-study to date, a May 2023 report by New Jersey Assembly policy staff found that New Jersey spends \$7.3 billion to attend to the state's 894,000 illegal aliens ([Kanitra, 2024](#)). These expenditures are largely associated with health care, education, welfare services, and criminal justice related matters. This invasion has, at the same time, generated hundreds of news stories recounting the burden the wave of immigrants impose on cities and other local jurisdictions

The surge in state spending on illegal immigrants is tied integrally with the surge in illegal border crossings that have occurred since the beginning of the Biden Administration. Soon after taking office in January 2021, the Biden Administration repealed or otherwise rolled back successful Trump Administration policies such as the Migrant Protection Protocols (otherwise known as the "Remain in Mexico Policy"), reinstated Deferred Action for Childhood Arrivals (DACA) program protections, and

paused the construction of physical barriers at the Southern Border ([Aguilar, 2021](#)). The Biden Administration’s policies have also included \$8 billion in tax credits for illegal aliens, reduced funding for border patrol, and abused existing programs such as humanitarian parole to increase the number of illegal immigrants while focusing deportation initiatives almost exclusively on criminal illegal aliens. These policies represent a complete paradigm shift from the first Trump administration, which FAIR noted had consistently “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” ([FAIR, 2023\(a\)](#)).

The federal government’s failures to control illegal immigration creates a fundamental iniquity: states are powerless to enforce immigration laws yet are forced to absorb most costs associated with the federal government’s failure to control immigration, which falls under the latter’s exclusive authority. By January 2023, The Federation for American Immigration Reform (FAIR) estimated that there were some 15.5 million illegal immigrants in the United States, a number which rises to 20.9 million when their children are included ([FAIR, 2023\(a\)](#)).

FAIR estimates that illegal immigrants’ combined cost to both federal, state, and local governments was \$150.7 billion at the beginning of 2023. FAIR arrived at this number by subtracting illegal immigrants’ estimated tax contributions from appropriations associated with illegal immigration. Of that total, FAIR estimates \$115.6 billion is paid by state and local jurisdictions ([FAIR, 2023\(a\)](#)).

The services for illegal immigrants that most burden state budgets are largely the same throughout the nation: healthcare, various welfare services for illegal immigrants and their children (from school lunches to housing aid), public safety costs associated with illegal immigrant-related crime, and education. The following table provides a summary of these costs in the most recent years for which information is available in these broad categories:



Table 1: Total State Expenditures on Certain Services for Illegal Immigrants Between FY 2020-2022

Welfare Expenditures	\$1,979,694,000
Medical Expenditures	\$18,626,836,000
Law Enforcement Related Expenditures	\$21,811,440,000
Education Related Expenditures	\$73,190,760,000
Total	\$115,608,729,000

The above table delineates the four major categories into which FAIR has grouped state spending for services to illegal immigrants between Fiscal Years 2020-2022. The expenditures included in these categories exclude temporary COVID-19 related programs. However, they include services to children of illegal immigrants, regardless of these children’s citizenship status (FAIR, 2023(a)).

While many states have balked at these expenditures, other states have sought to expand services and even cash payouts to illegal aliens. The aforementioned New Jersey Assembly’s study noted that the state’s governor proposed \$500 checks to state taxpayers who filed with an individual TIN and who otherwise would have been excluded from pandemic-era aid programs. The use of individual TINs is a scheme commonly employed by illegal immigrants. Confronting the unpopularity of the state spending over \$7 billion on services to illegal immigrants, the governor and the legislature ultimately decided against including this expenditure in the most recent budget (Nieto-Munoz, 2022).

Other states like California expanded Medi-Cal (the state’s iteration of Medicaid) to illegal immigrants beginning January 1, 2024, at an additional burden to the state’s budget of approximately \$4 billion for FY 2023 (July 2023-June 2024). California had previously expanded Medi-Cal for children of illegal immigrants in 2015 and for illegal immigrants over 50 years-old starting in May 2022. This most recent expansion could not have come at a more inopportune time for the state as it faced a projected \$68 billion budget deficit. Indeed, the CA Department of Health Care Services estimated that these expansions added 1.8 billion illegal immigrants to the state’s Medi-Cal rolls, long-term expenditures that will burden the state into perpetuity (Hwang, 2023).

Today, the Trump Administration is aggressively enacting policies that control the flow of illegal immigration. Still, the federal government’s past failures under the Biden Administration to effectively control the volume of illegal border crossings has imposed an unsustainable burden on states and local jurisdictions, for those locales that have



intentionally expanded state services and those that have resisted, alike. Solutions, however, are not lacking to ease the burden on states regardless of what the federal government does. The first set of solutions focus on discouraging illegal aliens' economic activity and, thus, the incentive to immigrate to the USA. Expanding E-Verify, a federal program by which employers can verify potential employees' work eligibility, is a long-standing initiative which could easily be utilized without additional executive or legislative action. Doing so would involve making the program easier to use and imposing harsher penalties on those businesses who hire illegal aliens without having used E-Verify. Additionally, America First Policy Institute's Model Wire Transfer Policy provides a way forward to deter illegal immigrant activity and the economic incentives to be in the country. Already, Oklahoma's international wire transfer fee has proven that this type of program can recover money from illegal immigrants and, ultimately, deter illegal immigrant economic activity. By assessing a state-imposed fee on international wire transfers made by illegal immigrants originating in these states, states can then recover money not collected from unreported economic activity and the associated taxes. It also targets illegal activity, such as drug and human trafficking—enterprises long associated with criminal illegal aliens. Finally, it helps states recover the costs associated with illegal immigrant state services ([Law, 2022](#)).

Another solution has already proved successful in Florida. In 2023, the state implemented a straightforward law that has dramatically decreased its Medicaid expenditures for providing illegal immigrants emergency services. The law simply mandates hospitals ask the immigration status of those Medicaid patients seeking emergency services. Note that states are prohibited from denying these emergency services. Ten months into FY 2023 and the law's implementation, the state saw a 54% reduction in Medicaid expenses. Even opponents of the law, while questioning whether it directly caused the drop, attributed to it "an exodus of migrants in Florida" ([Sarkissian, 2024](#)). Similarly, Texas Gov. Greg Abbot issued [Executive Order GA-46](#) in August 2024, demonstrating that states need not wait for legislative action to reduce Medicaid expenditures. This EO requires public hospitals to collect and report information related to illegal immigrant medical care. If Florida's results from its 2023 law is an indication, this law will undoubtedly reduce Medicaid expenditures for illegal immigrants that Texas (like all other states) ultimately absorbs ([Office of the TX Governor, 2024](#)).

As the New Jersey report demonstrates, exposing illegal immigrants' burdensome costs is another solution which encourages citizen awareness that could potentially pressure lawmakers to action. Taking note, Gov. Jeff Landry of Louisiana issued an executive order that directed every executive agency and department to conduct an assessment of direct and indirect expenses for services to illegal immigrants and report on these findings within 120 days ([Landry, 2024](#)). Increased research and disclosure of the burden illegal immigrants impose on state and local jurisdictions' must be increased to reveal the true extent of associated spending which can then spur and guide lawmakers to



implement solutions notwithstanding the federal government failure to secure the nation's borders.

THE FACTS

- The number of illegal border crossings has surged since January 2021, with some 3.8 million crossings between the beginning of the Biden Administration and May 2024.
- In May 2024, the US Border Patrol estimated that they had 6,000 alien encounters a day.
- Conservative estimates place the number of illegal immigrants nationally at 15.5 million, with more expansive estimates pegging the number at 20.9 million.
- The cumulative economic burden to state and local jurisdictions is estimated at more than \$115.6 billion between FY 2020 and FY 2022. This total represents an increase of 15.9% during this same period.

([FAIR, 2023\(a\)](#); [FAIR, 2023\(b\)](#); [Kanitra, 2024](#); [Landry, 2024](#))

WE SUPPORT AMERICA FIRST POLICY SOLUTIONS THAT WILL:

- Improve border security, adding thousands of new border patrol agents and
- Restore policies successful during the Trump Administration that curbed illegal immigration such as the so-called “Stay in Mexico Policy.”
- Increase deportations to alleviate the burden of illegal immigrants on state services.
- Mandate internal government studies to inform lawmakers and citizens as to the real costs to taxpayers for state services to illegal immigrants.
- Encourage the expanded use of existing programs like E-Verify to help employers verify potential employees’ eligibility to work.
- Institute state-level International Wire Transfer fee legislation for wires made by illegal immigrants, hindering money movement for criminal activity and discouraging illegal aliens from coming to a particular state.
- Reduce healthcare costs through executive orders which mandate that hospitals inquire as to a patient’s immigration status when the services are billed to Medicaid.



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BIOGRAPHY

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