

**Senator Charles E. Grassley**

**Questions for the Record**

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**Center for Immigration Studies**

1. *Under the DREAM Act, could a 50 year old with 2 convictions of drunk driving apply for relief?*

a. *If so, would he/she be eligible for employment authorization while his/her petition is pending?*

ANSWER: Yes, such a person could apply and eventually receive legal status. As I read the act, there is no time limit associated with an application, provided an applicant arrived in the United States before age 16 and was under age 35 at the time the act passed. A person who meets those requirements could wait an indefinite period of time before applying, as there is no sunset provision included in the law. Thus, a person who was 30 at the time the act passed could wait 20 years until age 50 to apply. Moreover, they would receive work authorization while their application was pending. Finally, as the act currently stands, individuals with up to two misdemeanor convictions, including two for drunk driving, could apply for relief under the DREAM Act. It seems very unlikely that the provision in the law requiring good moral character would prevent a person with two drunk driving misdemeanors from benefiting from the DREAM Act.

2. *What effects could 2.1 million newly authorized workers have on our economy?*

ANSWER: Adding more workers to the U.S. economy at this time is very problematic. Data from the Bureau of Labor Statistics for the first quarter of this year show that unemployment for young (18 to 29) Americans with some college, but not a bachelor's degree, is 11.3 percent. Using the broader measure of unemployment, (referred to as U-6), which includes those who want to work but have not looked recently, the unemployment for this group is 20.2 percent. For U.S.-born African Americans (18 to 29) with some college, the U-6 measure is 29.2 percent. If

the act does not pass and the DREAM Act population remains illegal, then they will tend to compete for jobs with less-educated Americans. But unemployment for young, less-educated Americans is even higher than for those with some college. If instead of allowing illegal immigrant to stay in the United States, they were encouraged to return to their home countries, it would take pressure off the U.S. labor market.

3. *In your testimony you talk about providing funding “so as to not crowd out deserving Americans.” Can you elaborate on that point and give an estimate of the funds that would be required?*

ANSWER: Based on our research at the Center for Immigration Studies the DREAM Act would likely add roughly one million students to the nation’s publically funded institutions of higher learning. (See our report: *Estimating the Impact of the DREAM Act*, November 2010) About half of those individuals would be added in the first few years after its passage. These figures do not include those who have already completed college or are currently enrolled at public institutions. Our estimate is only for new students. Public, rather than private universities and colleges will be the primary way DREAM Act beneficiaries met the college requirement, given the relatively low income of most illegal immigrants.

In fact, because they are much cheaper to attend, it seems almost certain that community colleges will be the primary way most illegal immigrants met the college requirement. In our estimates of the costs we assume that 80 percent of illegal immigrants who attend college will do so at a community college. We estimate that the total cost of in-state tuition subsidies for DREAM Act beneficiaries will be about \$12 billion dollars. These costs will be borne primarily by taxpayers in the dozen states where illegal immigrants are concentrated. In fact, taxpayers in roughly 40 counties in these states will be especially hard hit. In every major state of illegal immigrant settlement public institutions of higher learning are already overcrowded and reeling from budget cuts. Space and funding are not unlimited at these schools. Adding roughly a million new students will mean some American citizens and legal immigrants will be crowded out of these institutions.

Advocates of the DREAM Act argue that it will significantly increase tax revenue because with a college education, recipients will earn more and pay more in taxes over their lifetime. However, any hoped-for tax benefit is in the long-term, if it exists, and will not help public institutions deal with the large influx of new students the act creates. The crowding out will take place now, while the possible tax benefits will be in the future. Moreover, given limited spaces at public institutions, those U.S. citizens crowded out of schools will see their lifetime earnings and tax payments reduced. It is also worth noting that the DREAM Act only requires two years of college; no degree is necessary. The income gains for having some college, but no degree, are modest.

Of course, congress could provide money in the DREAM Act to states and counties to cover the in-state tuition subsidies these students will receive. Again, we estimate some \$12 billion would cover the costs. Failure to include such funding will add significantly to the problems public universities and colleges already face, and negatively impact American citizens who are competing for the limited space at these institutions.