

Economic and Fiscal Outlook 2020
New York's Pathway to Shared Prosperity

Immigration



Immigration

Nationally, immigration is at the center of politics more than at any time in recent history, but unfortunately it seems to be for all the wrong reasons. In New York, Governor Cuomo has often set a very different and positive tone. But he has not done much to enact in the budget what he says in his speeches. This year, with a new legislature in office, the time is ripe to take some bold steps to catch up with and surpass what other states have done.

There's more than enough justification to pay close attention to immigration in New York. Immigrants play an important role in economic, cultural, and social life around the state. New York City wouldn't be the vibrant global hub that it is without immigrants. In upstate cities—Buffalo, Rochester, Syracuse, Albany, Utica, Binghamton—immigrants and refugees are a key to stemming population decline and fueling a population rebound, which is a key to upstate cities' fiscal health. Rural areas around the state benefit from the farm labor of immigrants, as well as the role immigrant small businesses play in revitalization of some local downtown areas. And Long Island and Westchester benefit more than residents may realize, with immigrant working as doctors, nurses, accountants and architects as well as in retail, restaurant and construction jobs.

If the governor and the legislature want to think big, they would do well to study the New York Immigration Coalition's *Blueprint for Immigrant New York*, issued now for the second year running.¹ FPI was a participant in the process of developing the blueprint, and enthusiastically endorses its agenda.

Driver's Licenses: Access for All

Undocumented immigrants can currently apply for driver's licenses in 12 states, the District of Columbia and Puerto Rico. Indeed, until 2003 they could also apply for licenses in New York. On this issue, New York's current exclusion of undocumented immigrants from access to driver's licenses is embarrassingly outmoded. Governor Cuomo acknowledged the federal attack on immigrants in his "Justice Agenda" and declared that New York will stand up for its immigrant community. It is time for New York to put an end to a situation in which a routine traffic stop can turn into a life-changing nightmare for the 800,000 undocumented immigrants in New York State.

Driver's licenses are essential for picking kids up from school, getting to doctor's appointments, shopping for everyday goods, and going to work. FPI estimates that if the law changed, the revenues would easily outweigh the costs. The total revenue to state and local governments, as well as transit authorities, would be \$57 million annually, plus an additional \$26 million in one-time revenue from fees. The revenues include \$28 million to New York State, \$21 million to county governments, \$8.6 million to MTA and \$288,000 to the upstate mass transit authorities.

While the cost of producing licenses and administering driver's tests is covered by the price of getting a license, it would be wise to make an up-front investment to make sure the Department of

Motor Vehicles is well prepared for the initial period of implementation. FPI did not estimate the amount that might be spent hiring and training staff to prepare them for an increase in demand, but the amount would likely be quickly recouped by the significant increased revenues described above.

Being able to apply for a driver's license like anyone else would be life-changing for an estimated 265,000 undocumented immigrants around the state, including 4,500 in Albany, 3,000 in Rochester, 2,500 in Buffalo, and 1,000 in Syracuse metro areas; 51,000 on Long Island, 53,000 in the Hudson Valley, and 150,000 in New York City.² It is time for New York to take the common-sense measure of making sure everyone on the road is tested, licensed, and insured.

Refugee Resettlement: NY Steps in at a Critical Moment

Refugee resettlement agencies are in crisis around the country. The number of refugees being admitted to the United States has dropped precipitously since the start of the new administration in 2017. That has hurt New York State, where refugees make numerous contributions to our communities, and where refugee resettlement agencies serve an important role as anchor institutions. The importance of refugees, and of refugee resettlement agencies, spreads across the state, but it is nowhere more visible than in our upstate cities, where resettlement is concentrated and where in recent years refugees are close to the balance between population growth and population decline.

Two years ago, at a time when the federal administration was proposing a temporary travel ban that restricted refugee resettlement, New York State stepped up with a nation-leading program. The New York State Enhanced Services to Refugees Program (NYSESRP) allocated \$2 million to this program. In FY 2020 it should build on this success and respond to what amounts to both a crisis and an opportunity by expanding that funding to \$4.5 million.

NYSESRP has gained national attention by meeting two goals simultaneously.

First, NYSESRP creates a bridge for refugee resettlement agencies between a period of declining federal funding and a future when we expect resettlement will be reinstated, recognizing that the capacity to provide resettlement services cannot be turned off and on like a light but must be cultivated and maintained over time.

Second, NYSESRP creates an opportunity for resettlement agencies to expand their role in their communities, with state funding that is less restrictive than federal dollars they receive. The agencies can do more to make sure refugees are fully integrated into the local community. They can help refugees get more extended training for employment, as well as other services that in turn boosts refugees' own success and their contributions to the local economy. When refugees succeed, it also helps the cities they call home to retain current residents and to attract others.

The NYSESRP funding allows resettlement agencies to serve more secondary migrants (refugees who move to New York from other parts of the United States where they were first settled), and to serve people with special immigrant visas who worked with U.S. armed forces in Iraq or Afghanistan. It helps the agencies support and strengthen a Bosnian community in Utica, a Burmese community in Buffalo, a Somali community in Rochester, and Cubans, Bhutanese, Ukrainians, and

so many others in these cities and around the state. Creating a deeper and more visible sense of community is also a good way to make it attractive for others—both people from these and from other communities—to move to and stay in upstate cities. In downstate New York, the funding can make sure the resettlement agencies are not financially burdened by the drop-in refugee funding at a time when they are strained by asylees and asylum seekers.

If experienced staff and licensed facilities are lost because of a temporary drop in funding, cities in upstate New York could be permanently diminished in their capacity to welcome newcomers, and places like New York City, Westchester and Long Island would lose important resources in their communities. That would hurt the communities they are in, and it would put the state at a real disadvantage if refugee resettlement is resumed at a more historically typical pace in the future.

The basis for the \$2 million investment in FY 2018 was a calculation based on the per-capita funding from the federal government and the drop in the number of refugees predicted at that time. Since then, the drop has increased significantly: there is a 77 percent decline in refugee resettlement between 2016 and 2018, a difference of 4,500 refugees. Federal funding for resettlement is typically \$1,000 per refugee, which means the agencies collectively have lost \$4.5 million per year.

Making up for that loss is something the state can readily manage, expanding NYSESERP funding from \$2 million to \$4.5 million and turning a crisis into an opportunity. The increased funding should mean more funding to each agency, but small adjustments should be made in the allocation formula, to establish a minimum level for each agency and to provide some equity among the agencies.

That added state expense will be at least partly offset by increased state revenues as refugee communities have better employment outcomes and pay more in state taxes. More importantly, that funding is an investment in the best kind of economic development possible: helping cities and neighborhoods by investing in some of the people who need it most.

New York State Dream Act

After many years of advocacy for the Dream Act, this January, Governor Cuomo declared that our state should “open the door of opportunity to all of our children” and that this is the year to ensure that all of New York’s children have access to higher education by passing the New York State Dream Act.³ Even before this year’s budget was passed, the legislature did just that. This is welcome and long overdue.

The New York State Dream Act will allow undocumented students, who have graduated from New York high schools, access to state financial aid, including the Tuition Assistance Program (TAP) and the Excelsior Scholarship, and will create a Dream Fund to provide scholarships to college bound undocumented students. The governor has proposed to allocate \$19 million this year and \$27 million on an academic year basis for the Dream Act which is in line with an estimate calculated in 2012 that estimated the Dream Act to cost about \$20 million, a two percent increase to TAP expenditures.⁴

While the cost is modest, there is a very strong return on investment. The 76,000 Dreamers in New York currently contribute \$113 million in state and local taxes.⁵ As immigrant youth graduate from

college, their earnings increase which translates into higher tax revenues, as well as provide skilled labor for the workforce. The median wage for an immigrant with only a high school degree is \$28,600. However, with a college degree, their wages significantly increase to \$50,000 and increase higher to \$78,000 with an advanced degree.⁶

New York has the third-largest largest undocumented population. It is now the eighth state to allow access to financial aid without regard to immigration status, along with California, Minnesota, New Mexico, Oklahoma, Oregon, Texas and Washington, plus the District of Columbia.⁷

Expansion of Executive Order 26 to Respond to Upstate Needs

New York State is well-known for its diversity, and this can be seen in the range of languages spoken throughout the state. In 2011, Governor Cuomo acknowledged the need for translated documents from state services and programs through Executive Order 26. However, translated information was limited to the six most common non-English languages statewide—Spanish, traditional Chinese, Russian, Haitian-Creole, Korean and Italian. This limited list of languages does not fully represent the translation needs and language diversity of New York State, and is particularly problematic in upstate New York, where refugees come from a very wide range of backgrounds.

The change should account for the most common languages spoken in a local area, rather than the most common languages statewide. Making this change would entail just a small budget cost, but it would be a strong signal that the state government welcomes immigrants and recognizes the special challenges upstate areas in particular face in addressing immigrant and refugee integration.

Investing in Multi-Lingual Learners

Immigrant children, Puerto Ricans, and U.S.-born children of immigrant parents often speak a language other than English at home. In the 2016-17 school year, there were 237,000 English Language Learners (ELL) who need help with English in New York State schools, which was nine percent of the total student population.⁸ English language programs are essential in helping students communicate with peers and others in the community and helps promote integration for the student and the whole family. Ultimately, strong English language skills also translate into far better job opportunities and greater contribution to the state's economy and tax base.

The New York State Department of Education's mission statement includes the goal to "raise the knowledge, skill, and opportunity of all the people in New York." Doing that requires expanding the funding for English language programs in public schools. Advocates have proposed a \$100 million increase in funding to schools to help them address ELLs, which is well justified and much needed.

Adult Literacy Is a Key

New York's vibrant linguistic diversity is a benefit to the state, but it also poses a challenge. Among immigrants living in New York State, 34 percent who have been here less than five years report speaking no or little English, a number that drops only to 24 percent for those who have been here

over 10 years.⁹ New York can do better at reducing that number more quickly. Around the state, there are long lists of people waiting to be able to take English language classes who can't get in. Investing in teaching English seems like an obvious benefit to the community and the local economy as well as to immigrants themselves.

Funding for Adult Literacy Education (ALE) has long been at a level that is far below the need. Last year \$7.79 million was allocated to ALE.¹⁰ This year, the Executive Budget absurdly proposes a \$1.5 million *decrease* in ALE funding which will reduce the total to an even more insufficient amount of \$6.3 million.

Both state and federal changes are shifting the emphasis and priorities of funding to educating higher-skilled immigrants. Program goals have shifted for the Workforce Innovation and Opportunity Act (WIOA) system and the English Language and Civics program, so that their focus is now on post-secondary and workforce education. Added attention to these more advanced students is welcome, but it should not come at the cost of taking funding away from helping those with even greater needs. It is estimated that as some 17,000 lower-skilled students may no longer be able to benefit from these programs as a result of the shift to higher-skill students and the repurposing of \$8 million worth of WIOA funding in New York.¹¹ New York should increase the funding for Adult Literacy Education by \$8 million, to \$15.3 million to help address the gap.

Professional Licensing

Across New York State there are taxi cab drivers, dishwashers, and home care aides who were once doctors, teachers, and engineers before being settled or coming to the United States. It is sadly common for immigrants who received a foreign degree to accept a low-wage position, a phenomenon often termed “brain waste.” With just small changes in the state’s licensing laws, they could be working in much more productive jobs.

Almost half (49 percent) of the foreign-born population in New York has at least some college.¹² Immigrant college graduates who are working in low-wage positions are losing a cumulative \$5 billion in wages compared to what they would make if their skills were fully engaged.¹³ Brain waste is detrimental to immigrants, and it is a huge loss to the New York economy. It is also a loss to the state treasury: as people’s wages increase, so do the taxes they pay. Brain waste prevented the New York economy from receiving an additional \$594 million in local and state tax revenue.¹⁴

The state budget should add funding to community colleges, non-profit organizations and public institutions to help re-credential immigrants who qualify. There are well established models for this, and organizations that work exactly in this area—for example Upwardly Global and World Education Services—as well as other states that can provide models for moving forward.

Reduction of Maximum Sentences for Misdemeanors

The governor has proposed to reduce the maximum allowable sentence of imprisonment for class A misdemeanors from one year to 364 days. This would keep punishment under New York law effectively the same, but it would avoid unintentionally triggering unduly harsh immigration consequences under federal law. New York State is currently falling behind 10 other states who

already have changed their maximum sentence for class A misdemeanors to less than one year (Arizona, California, Illinois, New Jersey, New Mexico, North Carolina, Ohio, Tennessee, Washington, Wisconsin).¹⁵

The Trump Administration's attack on immigrants has meant that under federal law, green card holders, asylees, and victims of domestic violence, could face detention, denial of necessary forms of immigration relief, and deportation for a conviction of a crime that is punishable with one year or more of imprisonment. Even if an immigrant does not receive jail time for their conviction—for example the person may receive a fine for a first offense—they can still face harsh immigration consequences. The federal law does not consider the actual punishment, the consequences are linked only to the definition of the crime. The change in Class A misdemeanors that would mean they carry a maximum sentence of 364 days would save many immigrant families from the disastrous consequences of having a family member detained or deported.¹⁶ Only four percent of individuals who are convicted of a class A misdemeanor are sentenced to 365 days of jail time.¹⁷

Changing the maximum sentence for class A misdemeanors would also give back discretion and decision-making power to immigration judges. Some immigrants, who have lived in the United States for many decades, may find themselves in a deportation case for a misdemeanor they committed during their youth. Immigration judges will have the opportunity to consider all aspects of the case.¹⁸ This is a common sense, no-cost action that could change the lives of many New York families.

Liberty Defense Program

Governor Cuomo has frequently taken credit for the Liberty Defense Project, calling it the first State-Led Public-Private Legal Defense program. However, the governor has repeatedly talked a good game without putting money in his budgets to support this initiative. In FY 2018, when Governor Cuomo announced the creation of the program, he did not include any funding for it at all in his executive budget; he left the job of adding funding to the legislature. The result was an excellent program that was funded at \$10 million when it should have been at least \$20 million. This year, once again, the governor *has not included any funding* in the state budget for the Liberty Defense Fund. Meantime, *the Executive Budget proposes eliminating \$5 million in legal services* from the budget of the Office of New Americans, which will put an even greater burden on the legal system and generate an increased demand for legal representation.

It is time for the governor to stop playing games with this important program while immigrants are under attack by the federal administration. Providing legal representation is only a matter of fairness in making sure people are not unnecessarily deported or otherwise mistreated by the immigration system. Fair representation is the least we should expect for all New Yorkers.

Expanded Health Care Eligibility

The Affordable Care Act (ACA) and other changes in federal and state health care policies have helped reduce the percentage of people lacking health insurance by more than half over the past decade. The share of New Yorkers without health insurance fell from 11 percent in 2010 to 4.9 percent in 2017.¹⁹ That's a huge success, but there are still major improvements that must be made to expand access to health coverage for all New Yorkers. Immigrants make up a disproportionate share of New Yorkers without health insurance. In New York City, for example, while the share of U.S.-born people who lack health insurance is six percent, the share of immigrants who lack health insurance is 19 percent, and the share of undocumented immigrants without coverage is 58 percent.²⁰

The Health Care for all New York coalition estimates that \$532 million would be enough to provide coverage to 110,000 people in 2019.²¹

Creating a coverage program to ensure that individuals excluded from federal programs are able to access health insurance is not only good for immigrant communities: having health residents is good for employers, colleagues, neighbors, and ultimately everyone in the state. It also strengthens the fiscal stability of the health care providers that care for people whether or not they have insurance, thereby strengthening the fiscal health of municipalities across New York State. Expanding coverage with state dollars represents an investment with ample returns. Individuals with insurance are more likely to receive timely and preventive care, are less likely to incur medical debt, and on average experience improved mental health and reduced mortality. The healthcare system will work better for everyone if New York State continues to be a leader in working toward insuring everyone.

State Coverage for Threatened Immigrants

New York State should continue to offer state-funded Medicaid for Temporary Protective Status (TPS) beneficiaries, even if their status expires.

TPS provides protection from deportation and work authorization to individuals from countries that are experiencing conditions such as civil war, natural disasters, epidemics and other temporary conditions that prevent the safe return of their citizens. There are at least 26,000 New Yorkers who are at risk of having their Temporary Protected Status terminated.²² The average TPS recipient has spent over a decade in this country, working, paying taxes, and raising American children.

For now, the TPS program is still in effect for people from many countries, but the Trump Administration has voiced its intent to limit or end TPS in many cases.²³ If TPS for these countries are terminated, these immigrants may never get to experience the benefits of the services that they helped contribute to.

The legislature should pass and the governor should sign Assembly Bill 10607,²⁴ which ensures that temporary protected status beneficiaries continue to receive Medicaid benefits if the federal government ends the program. Last year, Medicaid coverage for DACA recipients was threatened by the Trump administration, and Governor Cuomo ensured that, irrespective of what happened in

Washington, DACA recipients would be cared for in New York state. This year, New Yorkers with TPS need the same guarantee from their governor and legislators.

A Full Count in the 2020 Census

This fiscal year's budget is the last opportunity that the governor and legislature will have to invest in making sure that New Yorkers are fully counted in the 2020 census that will take place on April 1st, 2020. The federal administration has already made attempts to undermine census efforts by proposing the addition of a citizenship question, which has so far been denied. However, this proposal has spurred fear and distrust among immigrants to share their personal information. In New York State, where 4.5 million immigrants represent 23 percent of the population, reducing participation in the census by a few percentage points could mean the loss of a congressional seat, loss of federal funding, and more. The governor and legislature of California understood the gravity of what an inaccurate census would mean for their state which is why they included over \$100 million in their FY2019 budget. This is hardly just an issue for immigrants, but it is of particular concern that immigrants and other hard-to-count populations get fully included in the count.

Although Governor Cuomo highlighted the importance of the decennial census in his State of the State address he did not allocate any funding for local governments to conduct outreach, the state's own media campaign, or funding for community-based organizations (CBOs). Budgets are the greatest demonstration of priorities for governments. With heightened fears among immigrant populations convincing people to fill out and return the census questionnaire will be especially difficult. Luckily, community-based organizations have already begun planning how they will leverage their connections with hard to count communities to ensure that every New Yorker is counted. FPI estimated the state should invest \$40 million in CBO outreach to ensure a robust ability of groups that are trusted in their communities to explain how the Census works and why it is important.²⁵

The economic, social, and demographic statistics produced by the population survey influences business, city planning, and policy decisions at every level of government. Without the census, largest sections of this briefing book would not have been possible, and without it, the governor and state agencies would not know how to budget for the next fiscal year.

In addition, Census data are used once every decade in state legislatures across the country to redraw boundaries for the congressional districts on the basis of population changes that have been recorded in the census. There are currently 435 seats in the House of Representatives. New York State has lost 12 seats in the House since 1980. Losing seats because of relative loss of population is only fair, and the way democracy is supposed to work. But losing seats because of an undercount is not democratic and not good politics.

New York State is already projected to lose two seats in congress based on the most recent population estimates. The Census is not an issue that can just be a footnote in an address.

¹ Blueprint for Immigrant New York, New York Immigration Coalition, November 2017, available at <http://www.thenyic.org/blueprint>.

- ² David Dyssegaard Kallick and Cyierra Roldan, “Expanding Access to Driver’s Licenses: Inclusion of Immigrants without Regard to Legal Status,” (New York: Fiscal Policy Institute, 2016.)
- ³ “Governor Cuomo Unveils Agenda for First 100 Days - 2019 Justice Agenda” See: <https://www.governor.ny.gov/news/governor-cuomo-unveils-agenda-first-100-days-2019-justice-agenda>
- ⁴ “The New York State DREAM Act: A Preliminary Estimate of Costs and Benefits,” Fiscal Policy Institute, March 9, 2012.
- ⁵ Institute on Taxation and Economic Policy, “State and Local Tax Contributions of Young Undocumented Immigrants,” itep.org/wp-content/uploads/2018DACA.pdf
- ⁶ FPI analysis of ACS 2017 1-year estimates.
- ⁷ Maps: State Laws & Policies on Access to Higher Education for Immigrants. See: <https://www.nilc.org/issues/education/eduaccess toolkit/eduaccess toolkit2/>
- ⁸ NY State Public School Enrollment (2016-17). See: <https://data.nysed.gov/enrollment.php?year=2017&state=yes>
- ⁹ FPI analysis of ACS 2017.
- ¹⁰ New York State Education Department, <http://www.nysed.gov/budget-coordination/adult-literacy-education-ale-program>
- ¹¹ New York State Education Department as referenced by Assembly Member Patricia Fahy and Assembly Member Ron Kim in a sign on letter to Hon. Carl Heastie, The Assembly State of New York, 2018.
- ¹² FPI analysis of ACS 2017 1-year estimates.
- ¹³ Ariel G. Ruiz Soto, Jeanne Batalova, and Michael Fix, “The Costs of Brain Waste Among Highly Skilled Immigrants in New York State, Migration Policy Institute, 2016. The Migration Policy Institute was, to our knowledge, the first to coin the term “Brain Waste.”
- ¹⁴ Ibid.
- ¹⁵ New York City Bar, “Report on Legislation by the Criminal Courts Committee, The Criminal Courts Committee and the Immigration and Nationality Law Committee,” See: https://www2.nycbar.org/pdf/report/uploads/20073134-One_Day_to_Protect_NYers_Crim_CourtsandCJO_Report_FINAL_7.21.16.pdf
- ¹⁶ Ibid.
- ¹⁷ Immigrant Defense Project See: <https://www.immigrantdefenseproject.org/wp-content/uploads/1DayforNYersQA-.pdf>
- ¹⁸ New York City Bar, “Report on Legislation by the Criminal Courts Committee, The Criminal Courts Committee and the Immigration and Nationality Law Committee,” See: https://www2.nycbar.org/pdf/report/uploads/20073134-One_Day_to_Protect_NYers_Crim_CourtsandCJO_Report_FINAL_7.21.16.pdf
- ¹⁹ U.S. Census Bureau, 2010 American Community Survey 1-Year Estimates, https://factfinder.census.gov/faces/tableservices/jsf/pages/productview.xhtml?pid=ACS_10_1YR_B27020&prodType=table
- ²⁰ State of Our Immigrant City, Annual Report March 2018, NYC Mayor’s Office of Immigrant Affairs.
- ²¹ 2019 Policy Agenda, Health Care for All New York, <http://hcfany.org/wp/wp-content/uploads/2018/12/HCFANY-2019-Policy-Agenda.pdf>
- ²² Termination of TPS Hurts Families and the Economy, <http://fiscalpolicy.org/termination-of-tps-hurts-families-and-the-economy>
- ²³ President Trump has announced that he is ending the TPS program for individuals from El Salvador, Haiti, Nepal, Nicaragua, Somalia, Sudan, South Sudan, Syria, and Yemen.
- ²⁴ Assembly Bill A10607, The New York Senate, <https://www.nysenate.gov/legislation/bills/2017/a10607>
- ²⁵ Funding a Complete Count: What Community Groups Need, Fiscal Policy Institute, <http://fiscalpolicy.org/wp-content/uploads/2018/10/FPI-Brief-Census-Outreach-Funding.pdf>