

## MEMORANDUM

From: CONECT  
Re: Cost Analysis Based on Other States  
Date: May 5, 2013

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### Summary

This short memo aims to estimate the cost of implementing the proposed driver's license expansion to undocumented immigrants in Connecticut by taking advantage of the recent analyses of similar, successful legislation in Illinois, Maryland, and Oregon by those states' legislative analysis offices.

Extrapolating from those states, we estimate that Connecticut's first-year costs would range from \$182,000 to \$1.76 million. Its subsequent-year costs would range from \$58,000 to \$211,000.

We should also note that each state estimates that the program's revenues will exceed its costs, though Illinois predicts this will begin in the second year of the program.

### Estimates in Other States

Illinois estimates that its expansion would cost \$800,000 in the first year and \$250,000 in subsequent years.<sup>1</sup> Illinois estimates that license fees would make the program self-funding starting in the second year.

Illinois has an estimated 525,000 undocumented immigrants.<sup>2</sup> The first-year cost therefore amounts to \$1.52 per undocumented immigrant, while the subsequent-year costs are \$0.48 per undocumented immigrant.<sup>3</sup>

Maryland estimates that its expansion would cost \$2.4 million in FY2014 and above \$484,000 annually in FY2017 and beyond.<sup>4</sup> Most of this increased cost would go to salary and fringe benefits for 10 new permanent employees and 55 new contract employees. Maryland

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<sup>1</sup> Illinois General Assembly, 97th Session, Bill Status for SB0957, <http://www.ilga.gov/legislation/BillStatus.asp?DocNum=957&GAID=11&DocTypeID=SB&SessionID=84&GA=97>.

<sup>2</sup> Pew Hispanic Center, UNAUTHORIZED IMMIGRANT POPULATION: NATIONAL AND STATE TRENDS, 2010 (February 1, 2011), Table A3, <http://www.pewhispanic.org/files/reports/133.pdf>. All estimates of undocumented immigrant populations in this memo are from this Table.

<sup>3</sup> Of course, what will matter is the number of undocumented immigrants who sign up for driver's licenses, but we believe that, especially for estimation purposes it is safe to assume that the proportion of undocumented immigrants who seek driver's licenses will be the same in different states.

<sup>4</sup> Maryland General Assembly, Department of Legislative Services, Fiscal and Policy Note (Revised) for Senate Bill 715, [http://mgaleg.maryland.gov/2013RS/fnotes/bil\\_0005/sb0715.pdf](http://mgaleg.maryland.gov/2013RS/fnotes/bil_0005/sb0715.pdf).

estimates that fees would \$3.9 million in revenues in FY2014 and \$1.1 million in FY 2017 and beyond.

Maryland has an estimated 275,000 undocumented immigrants. The first-year cost amounts to \$8.73 per undocumented immigrant, and the ongoing costs are \$1.76 per undocumented immigrant.

Oregon, which budgets on a 2-year cycle, estimates that the expansion would cost \$4.7 million in the first two-year cycle, or \$2.35 million per year.<sup>5</sup> Most of this funding would go to 6 new permanent transportation services representatives and 58 limited duration positions. Oregon estimates that fees would provide \$5.3 million over the same two-year period.<sup>6</sup>

Oregon has an estimated 160,000 undocumented immigrants. On a yearly basis, then, its initial cost estimate is \$14.69 per undocumented immigrant.

### **Application to Connecticut**

One interesting thing to note is that the costs per undocumented immigrant vary quite substantially between these states. The first-year per-undocumented-immigrant costs range from \$1.52 in Illinois to \$8.73 in Maryland to \$14.69 in Oregon. The subsequent-year per-undocumented-immigrant costs range from \$0.48 in Illinois to \$1.76 in Maryland. (Oregon did not provide subsequent-year costs.)

This wide range makes us quite confident that Connecticut will fall *somewhere* in between these states.

Connecticut has an estimated 120,000 undocumented immigrants.<sup>7</sup> Based on these estimates from other states, then, we estimate that its first-year costs would range from \$182,000 to \$1.76 million. If it tracked the middle state, Maryland, its first-year costs would be \$1.05 million. Its subsequent-year costs would range from \$58,000 to \$211,000.

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<sup>5</sup> Oregon Legislative Assembly, Budget Report for SB833, <https://olis.leg.state.or.us/liz/2013R1/Measures/Analysis/SB833>

<sup>6</sup> Oregon Legislative Assembly, Fiscal Impact Statement for SB833, <https://olis.leg.state.or.us/liz/2013R1/Measures/Analysis/SB833>

<sup>7</sup> The careful reader may note that we have estimated that 54,000 undocumented immigrants would take advantage of this policy. That is based on the estimated number of drivers amongst the 120,000 undocumented immigrants in Connecticut.