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Fiscal Impacts of Recent Increase in Migrant Sheltering and Support in Denver

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About the Authors

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About Common Sense Institute

Common Sense Institute is a non-partisan research organization dedicated to the protection and promotion of Colorado’s economy. CSI is at the forefront of important discussions concerning the future of free enterprise and aims to have an impact on the issues that matter most to Coloradans. CSI’s mission is to examine the fiscal impacts of policies, initiatives, and proposed laws so that Coloradans are educated and informed on issues impacting their lives. CSI employs rigorous research techniques and dynamic modeling to evaluate the potential impact of these measures on the economy and individual opportunity.

Teams & Fellows Statement

CSI is committed to independent, in-depth research that examines the impacts of policies, initiatives, and proposed laws so that Coloradans are educated and informed on issues impacting their lives. CSI’s commitment to institutional independence is rooted in the individual independence of our researchers, economists, and fellows. At the core of CSI’s mission is a belief in the power of the free enterprise system. Our work explores ideas that protect and promote jobs and the economy, and the CSI team and fellows take part in this pursuit with academic freedom. Our team’s work is informed by data-driven research and evidence. The views and opinions of fellows do not reflect the institutional views of CSI. CSI operates independently of any political party and does not take positions.

Title 42 and Recent Changes in Immigration Policy

Federal immigration restrictions known as Title 42, were lifted after 11:59pm, Thursday May 11, 2023. These restrictions were originally instituted in 2020 as emergency health orders, and granted federal authorities the ability to more quickly return certain individuals who illegally crossed the U.S. border.ⁱ

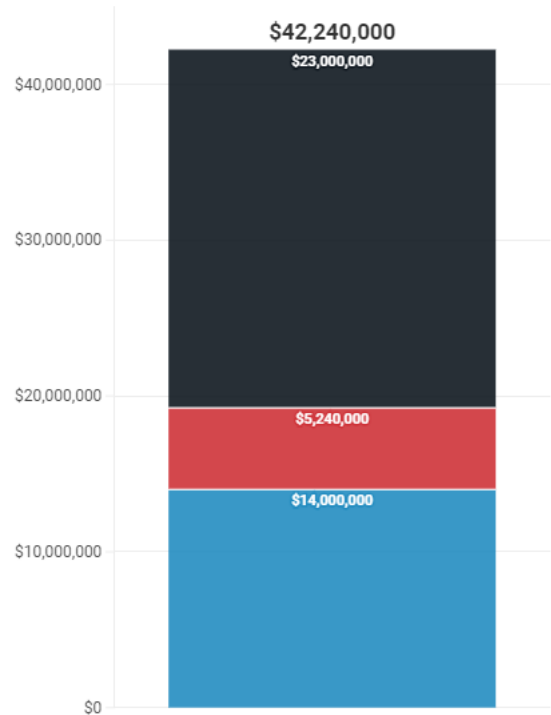
The surge in migrants to Denver leading up to and following the expiration of Title 42 has required a significant unbudgeted fiscal commitment from the city, estimated to be over \$14 million as of early May. The following findings summarize key figures related to the recent increase in migrants and expenditures by the City of Denver to manage sheltering and support.

Key Fiscal Impacts

- CSI estimates that the 12-day surge in migrants between May 4th and May 15th will bring the total current cost to the City of Denver between \$18.2 and \$19.2 million.** This cost will grow, as Denver continues to provide services to new immigrants arriving daily. These costs do not include the many private contributions made to support the incoming migrants, or the in-kind contributions of food, water and other provisions from local non-profits.
 - This is an increase in city expenditure of between \$4.2 million and \$5.2 million, to be incurred over the next several weeks.** This adds to the \$14,000,000 the City of Denver had already spent related to expenses from temporarily managing new migrants through early May 2023, prior to the recent increase.
- Every 100 new migrants are estimated to cost Denver between \$160,000 and \$200,000 in total.**
 - The city estimated the cost to temporarily house and serve 1 individual for one week to be between \$800 and \$1,000. The city's expense estimate suggests migrants remain within city support for approximately two weeks, in-line with reports that the city capped migrant stays in shelter to two weeks earlier this year.ⁱⁱ
- The City of Denver could spend upwards of an additional \$18 million to \$23 million for the remainder of 2023,** if the number of migrants averages 50 individuals per day for the rest of the year. This would bring the total expense to the city between \$36.6 million and \$42.2 million. If the daily average for the rest of the year returns to 25, the additional cost to the city would be between \$9.2 million and \$11.5 million, bringing the total (Nov 22 through Dec 23) to between \$27.4 million and \$30.7 million.

Recent Surge in Migrants Likely Adds \$5.2 Million to the City of Denver's Ongoing Migrant Sheltering and Support Expenses. A Sustained Elevated Number of Migrants Could Bring the Total City Expense to \$42.2 million.

■ November to May 3 Expenditures
■ May 4 to May 15 Increase (218 Avg Daily Migrants)
■ Potential May 16 to End of Dec Cost (50 Avg Daily Migrants)



Key Data on Migrants and Denver Shelter Levels

- The surge of migrants to Denver between May 4th and 15th was 10 times higher than levels experienced between March and April.** While Denver was averaging approximately 20 new

migrants daily for several months prior to May, the number of migrants arriving daily increased in early May, averaging 218 individuals daily between May 4th and May 15th. The number peaked on May 9th at 378 and has since declined to 109 as of May 15th.ⁱⁱⁱ Though the number of daily migrants remains significantly elevated, **the May 15th daily estimate was still more than 5 times higher than the reported average of past several months.** Action taken by the President to add new immigration restrictions following the expiration of Title 42, shows early signs that the volume of migrants to Denver has slowed from the May 9th peak. This aligns with national reporting.^{iv} The new changes permit authorities to turn away individuals who do not first apply for legal asylum from within their home countries or in the countries they first travel through on their way to the U.S.

- **The city’s data dashboard depicting information related to migrant sheltering and support indicates that as of May 17th, the number of individuals under the city’s supervision stood at 1,190.^v** This remains below the two prior peaks of 1,339 on March 8th, and 1,847 on December 31st, 2022. On May 11th, the city chose to re-activate the Emergency Operations Center (EOC) and the Joint Information Center (JIC) announcing that migrants were staying in temporary shelters operated in Denver, which were nearing capacity. While the city dashboard does not specify where the final destination of migrants being temporarily sheltered by the city is, a non-profit serving migrants, Vive Wellness, indicated that approximately 15% stay within the city long-term^{vi} and Governor Polis has stated 30% stay within Colorado.^{vii}

Where Will the Funds Come From?

- Prior reporting indicated that some funds would need to come from the city’s \$32.5 million contingency fund, as well as some federal grants.^{viii} **It is currently unknown if or how much of these recent expenses will be reimbursed by the federal government** and to what extent the funds for the recent surge in migrants is coming from an exhaustible source within the City budget.
- Similarly, it is unclear if current spending will directly cut into other budgeted priorities, however the fiscal commitment from the city is sizeable when compared to other budgeting priorities and given the recent surge in migrants, the city could likely deplete its contingency funds within the next few months.
 - For comparison, in the FY2023 Budget, includes \$20 million for down payment assistance and expanding the pipeline of affordable housing, \$20 million for acquisition of hotel properties for affordable housing and \$2.45 million for snow removal within the city Transportation and Infrastructure Department.^{ix}
- **Bottom Line** - The recent surge in migrants entering the United States, comes largely as a result of volatile federal policy, and the lack of comprehensive immigration reform. One of the primary consequences of this breakdown in policy and enforcement of orderly immigration procedures, that would benefit both immigrants and US citizens, is the financial burden thrust upon local governments. These expenses go beyond normal budgeted expenses and while they are currently coming from emergency funds, and federal grants, ultimately, they could come at the expense of other budgeted priorities.

ⁱ <https://www.pewresearch.org/short-reads/2022/04/27/key-facts-about-title-42-the-pandemic-policy-that-has-reshaped-immigration-enforcement-at-u-s-mexico-border/>

ⁱⁱ <https://www.foxnews.com/politics/denver-places-two-week-limit-migrant-shelter-colo-gov-stops-busing-migrants-major-cities>

ⁱⁱⁱ Denver Press Release Updates on Migrant Sheltering Response

^{iv} <https://www.reuters.com/world/us/migrant-crossings-drop-us-mexico-border-after-title-42-expiry-2023-05-14/>

^v <https://denvergov.org/Community/Assistance-Programs/Migrant-Support#section-1>

^{vi} <https://www.cbsnews.com/colorado/news/colorado-nonprofit-migrants-destination/>

^{vii} <https://www.foxnews.com/politics/colorado-gov-planning-send-migrants-new-york-city-mayor-says>

^{viii} <https://www.axios.com/local/denver/2023/04/13/denver-costly-migrant-response-changes-course>

^{ix} <https://www.denvergov.org/files/assets/public/finance/documents/budget/2023/2023-ccd-budget-final.pdf>