Fiscal Impact of Refugee Resettlement: An Assessment of Data Availability

Special Review
March 1, 2018

OFFICE OF THE LEGISLATIVE AUDITOR

STATE OF MINNESOTA

State of Minnesota
Office of the Legislative Auditor

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OFFICE OF THE LEGISLATIVE AUDITOR
STATE OF MINNESOTA • James Nobles, Legislative Auditor

March 1, 2018

Members of the Legislative Audit Commission:

Last spring, you directed the Office of the Legislative Auditor to examine the extent to which data are (or are not) available to analyze the fiscal impact of refugee resettlement.

We found that anyone seeking to estimate this fiscal impact would face significant limitations. There is no comprehensive source of data that identifies which Minnesotans are current or former refugees. Except for human services agencies, most public agencies do not ask about the immigration status of the people they serve. In addition, the data on immigration status collected by human services agencies when determining individuals' eligibility for various programs has some important limitations.

The absence of comprehensive data to estimate the fiscal impact of refugee resettlement does not have an obvious solution. Most public agencies have no particular need to know the immigration status of the people they serve, and the Minnesota Government Data Practices Act limits the collection of individual data to "that necessary for the administration and management of programs."

Nevertheless, we hope this report provides legislators with useful information about the nature of the refugee resettlement process, the number and characteristics of newly arrived refugees in Minnesota, and the availability of data on refugee-related expenditures and revenues.

We received full cooperation from multiple state and local agencies, particularly the state departments of Human Services and Health.

Sincerely,

James Nobles
Legislative Auditor

Joel Alter
Director, Special Reviews

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THE GREAT SEAL OF THE STATE OF MINNESOTA
L'ETOILE DU NORD
1858

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Introduction

Minnesota has become home to many people from other countries. About 8 percent of Minnesota residents in 2015—a total of 457,000 people—were born in a country other than the United States. There are various types of immigrants, and one is refugees: individuals who have been forced to flee their home country due to persecution or a well-founded fear of persecution.

During the 2017 legislative session, the Legislative Audit Commission considered whether to direct the Office of the Legislative Auditor to conduct a program evaluation of refugee resettlement, with a particular focus on estimating the fiscal impact that resettled refugees have had on Minnesota state and local governments. There was considerable legislative interest in the topic, but there were unresolved questions about the feasibility of such an evaluation. Thus, instead of directing our office to conduct this evaluation, the Commission asked for a more limited review. For this "special review," we asked:

- **What role do public agencies play in the resettlement of refugees in Minnesota?**

- **What data are available on the number and characteristics of refugees in Minnesota?**

- **What data are—or are not—available that could be used to assess the fiscal impact of refugees on state and local governments in Minnesota?**

During this review, we interviewed and corresponded with many public officials. We obtained refugee-specific documents and data from the state departments of Human Services and Health, and we corresponded with several other state agencies. At the local level, we obtained information from public agencies and officials in several communities that have been home to sizable refugee populations: Hennepin, Ramsey, and Stearns counties; the cities of Minneapolis, Rochester, St. Cloud, and St. Paul; and the school districts serving Minneapolis, St. Cloud, and St. Paul.

We reviewed U.S. laws, regulations, and practices related to refugee resettlement, and we examined national data on refugee admissions. We also reviewed the international agreements that underlie refugee resettlement practices around the world.

Our primary aim was to assess whether it would be feasible for researchers to use existing data to comprehensively estimate the fiscal impacts of refugee resettlement in Minnesota. For background purposes, we examined the staffing and expenditures of refugee offices in two state agencies (Human Services and Health). We also reviewed a 2017 estimate of refugee-related human services expenditures prepared by the Minnesota Department of Human Services. However, our review did not attempt to make a comprehensive estimate of the public costs and revenues associated with refugees in state and local governments.

While we considered the possible ways that refugee resettlement may affect state and local expenditures and revenues, we did not examine the *economic impacts* of refugees. For example, we did not assess the impact of refugees on wages or employment levels, nor did

we examine whether Minnesota's workforce needs can be met without additional in-migration.[1]

Finally, our review focused specifically on people who entered the U.S. and were granted refugee status through the U.S. Refugee Admissions Program of the federal Department of State. We did not examine other types of immigrants. For example, we did not consider how to assess the fiscal impact of persons who have entered the U.S. without proper authorization and documents, or persons who have moved to the U.S. to improve their economic status.

[1] For a recent discussion of immigration-related workforce issues in Minnesota, see Ryan Allen, *Immigrants and Minnesota's Workforce*, for the Committee on Minnesota Workforce and Immigrants and University of Minnesota Office of the Vice President for Research (Minneapolis: University of Minnesota, January 2017), https://drive.google.com/file/d/0B7644h9N2vLcdkk3WUFFeVNYZGM/view.

Chapter 1: Background

This chapter provides context for policymakers who are considering the fiscal impact of refugee resettlement. We discuss the processes by which persons with refugee status are admitted to the U.S., are assigned to particular locations, and become eligible for public assistance. In addition, we review trends in the numbers and characteristics of refugees arriving in Minnesota from other countries.

Who Is a Refugee?

According to the United Nations' refugee agency, there are 22.5 million refugees around the world. The agency defines "refugee" as follows:

> A refugee is someone who has been forced to flee his or her country because of persecution, war, or violence. A refugee has a well-founded fear of persecution for reasons of race, religion, nationality, political opinion or membership in a particular social group. Most likely, they cannot return home or are afraid to do so.[1]

In the United States, "refugee" is a distinct immigration status defined in federal law.[2] The law limits applicants for this status to individuals who meet a definition very similar to the international definition above. Persons who leave their home countries solely to seek greater economic prosperity are *not* eligible for refugee status. In addition, the law clarifies that the term "refugee" shall not include someone who "ordered, incited, assisted, or otherwise participated in the persecution of any person on account of race, religion, nationality, membership in a particular social group, or political opinion."[3] According to international agreements, refugees have legal protections, such as limited protection from deportation to their home countries.[4]

Like refugees, persons seeking asylum in the U.S. have fled their home countries due to fear of persecution, but asylees differ from refugees in at least two ways. First, individuals apply for refugee status if they are *outside* of the U.S.; asylum seekers are individuals who are already living *inside* the U.S. or at a port of entry. Second, persons with refugee status must apply to become "lawful permanent residents" of the U.S. (also known as "green card" holders) one year after being admitted to the U.S.; persons with asylum status may apply for a green card one year after being granted asylum, but they are not required to do so. For the

[1] United Nations High Commissioner for Refugees, http://www.unrefugees.org/what-is-a-refugee/, accessed September 6, 2017.

[2] 8 *U.S. Code*, sec. 1101(a)(42), accessed electronically February 6, 2018.

[3] *Ibid.*

[4] A refugee's protection from deportation is not absolute. For example, the 1951 United Nations treaty on refugees said that the treaty's prohibition on expulsion did not apply in cases where refugees were convicted of serious crimes or presented a danger to national security. United Nations General Assembly, *Convention Relating to the Status of Refugees*, July 28, 1951, United Nations, Treaty Series, vol. 189, 176.

most part, this report focuses on refugees rather than asylees, although some data we obtained combined these groups together.[5]

Federal Role in Refugee Resettlement

In 1948, the United States enacted its first refugee-related legislation.[6] This was done to accommodate hundreds of thousands of Europeans who were displaced by World War II and moved to the U.S. After the Vietnam War, many refugees from southeastern Asia resettled in the U.S. Congress passed the Refugee Act of 1980 to standardize the refugee resettlement process, and this law still governs refugee admissions and resettlement in the United States.[7]

By law, the President of the United States determines an overall cap on the number of refugees the nation may admit in a given year.[8] For the federal fiscal year ending September 30, 2018, President Trump has capped the total number of refugee admissions nationally at 45,000. As shown in Exhibit 1.1, the actual number of refugees admitted to the U.S. and the presidential ceiling on admissions have both fluctuated over time.

The United Nations makes most referrals of individuals to the U.S. Refugee Admissions Program.[9] The U.S. Department of State coordinates the activities of various federal agencies in the refugee admissions process, and the U.S. Department of Homeland Security decides whether persons referred qualify for refugee status under federal law. The Department of Homeland Security also determines whether refugees should be denied admission to the U.S. for security or other reasons. The U.S. Department of State has described the refugee screening process as follows:

> No traveler to the United States is subject to more rigorous security screening than the refugees the U.S. Government considers for admission. Only after the U.S. Government's rigorous and lengthy security screening process has been completed and an applicant is not found to pose a threat does the U.S. Government grant that individual refugee admission to the U.S. Security screening of all refugees involves multiple U.S. agencies, including the Departments of State, Homeland Security (DHS), and

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[5] Data suggest that persons with an immigrant status of "refugee" are far more common in Minnesota than persons categorized as "asylees." For example, in October 2017, there were more than 13 times as many persons classified in Minnesota Department of Human Services data as refugees receiving Medical Assistance in Minnesota (17,221) as there were persons classified as asylees (1,286). Chapter 2 discusses concerns about the accuracy of these classifications. In the Minnesota Department of Health's data on new refugee arrivals in 2016, about 5 percent of the arrivals were asylees, victims of trafficking, or persons given special immigrant visas for assistance to the U.S. military in Iraq or Afghanistan.

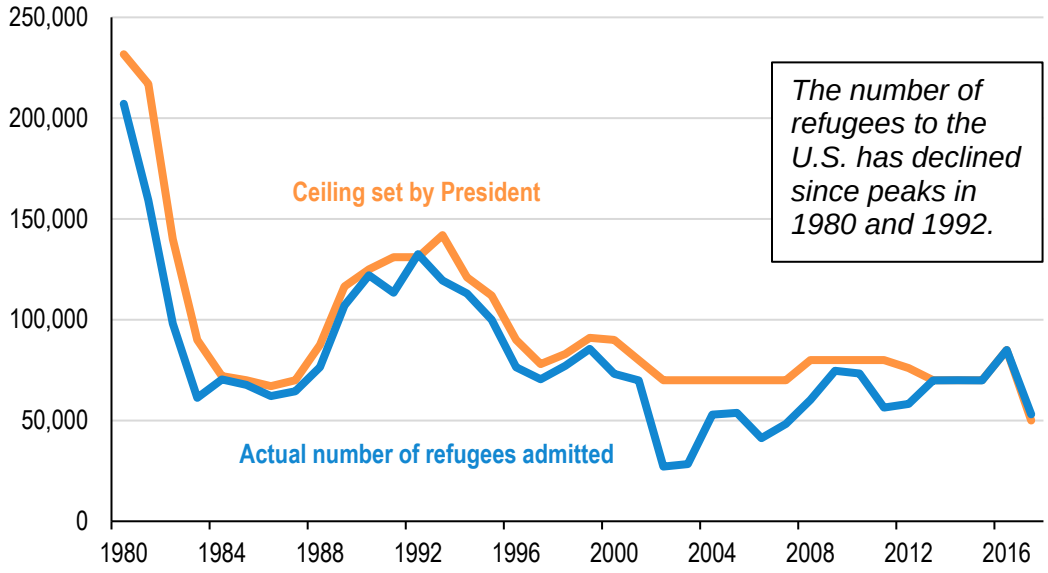
[6] Public Law 80-774, also known as the Displaced Persons Act of 1948. The legislation allowed for admission of about 200,000 persons displaced by World War II. President Truman signed the bill but said it discriminated against the admission of many people of Jewish and Catholic faith. Congress amended the law in 1950 to double the admissions of the prior bill, and Truman said the changes addressed his earlier concerns.

[7] Public Law 96-212, as codified in 8 *U.S. Code*.

[8] 8 *U.S. Code*, sec. 1157(a)(2), accessed electronically February 6, 2018. In *Trump v. International Refugee Assistance Project*, 137 S. Ct. 2080, 2089 (2017), the United States Supreme Court ruled that there were exceptions to President Trump's cap (Executive Order No. 13780) in cases where a refugee had a "bona fide relationship" with a person or entity in the U.S.

[9] Occasionally, refugees may also be referred by U.S. embassies or nongovernmental organizations.

Exhibit 1.1: Refugees Admitted to the United States, Federal Fiscal Years 1980-2017



NOTES: From 2013 to 2016, the orange line showing the refugee ceiling set by the President of the United States is difficult to see because it closely mirrors the blue line showing the actual number of refugees admitted in those years. In 2017, the actual number of refugees admitted to the U.S. exceeded the presidential ceiling by about 3,000.

SOURCE: Office of the Legislative Auditor, analysis of data from Migration Policy Institute.

> Defense, the Federal Bureau of Investigation, the National Counterterrorism Center, the Terrorist Screening Center, and two federal intelligence agencies.[10]

The State Department has agreements with nine private agencies to place persons who have been approved for resettlement in the U.S. The department and these agencies place arriving refugees with local resettlement affiliates throughout the country. The department considers various factors—such as employment opportunities and housing availability—when deciding where refugees should be assigned, "but the most important factor for placement is if a refugee has relatives in a specific community (often refugees who have preceded them)."[11] According to the State Department, placing refugees near family members contributes to their chances for long-term success in the U.S.

Federal law has established an Office of Refugee Resettlement within the U.S. Department of Health and Human Services. This office provides resources to support the resettlement

[10] U.S. Department of State, *U.S. Refugee Admissions Program FAQs*, January 20, 2017, https://www.state.gov/j/prm/releases/factsheets/2017/266447.htm, accessed October 18, 2017. The federal government's process of screening refugees for possible admission includes confirmation of the individual's identity, a review of criminal activity and watch list information, and extensive overseas interviews of the applicants.

[11] U.S. Department of State, *U.S. Refugee Admissions Program FAQs*, January 20, 2017. Persons without U.S. ties must be placed within 50 miles of a local affiliated resettlement agency. Persons with U.S. ties must generally be placed within 100 miles of a resettlement agency, but there can be exceptions.

and integration of refugees in the U.S. Federal law says that the director of this office shall, "to the extent of available appropriations,"

- Provide resources for employment training and placement to help refugees "achieve economic self-sufficiency…as quickly as possible."
- Provide English language training opportunities that help refugees "become effectively resettled as quickly as possible."
- Ensure that cash assistance is provided to refugees in a way that does not "discourage their economic self-sufficiency."
- Ensure that men and women have the same opportunities to engage in training and instruction.[12]

In addition, the U.S. Office of Refugee Resettlement is required by law to consult with private nonprofit voluntary agencies, state governments, and local governments about the resettlement process.[13] The office must consult at least quarterly with these entities "concerning the sponsorship process and the intended distribution of refugees among the States and localities before their placement in those States and localities."[14] The purpose of this provision is unclear, given that it is the U.S. Department of State—and not the U.S. Office of Refugee Resettlement—that determines where refugee placements will occur. However, the Office of Refugee Resettlement's website suggests that the office regularly meets and shares information with the State Department as part of a coordinated federal placement process.[15]

State Role in Refugee Resettlement

Broadly speaking, there are two refugee resettlement functions overseen by the federal government that are performed by other entities.

First, the State Department oversees "reception and placement" services provided at the locations to which refugees have been assigned. In this case, "placement" refers to placement into needed services, not the refugee's initial assignment to a resettlement location. Exhibit 1.2 shows how this function is provided in Minnesota.

Prior to a refugee's arrival in the U.S., the U.S. Department of State and its nine domestic resettlement agencies determine where each refugee will be resettled. If a refugee is assigned to Minnesota, one of six local resettlement affiliates will be designated to provide reception and placement services for up to 90 days after the refugee's arrival.[16] (Each of

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[12] 8 *U.S. Code*, sec. 1522(a)(1)(A), accessed electronically February 6, 2018.

[13] 8 *U.S. Code*, sec. 1522(a)(2)(A), accessed electronically February 6, 2018.

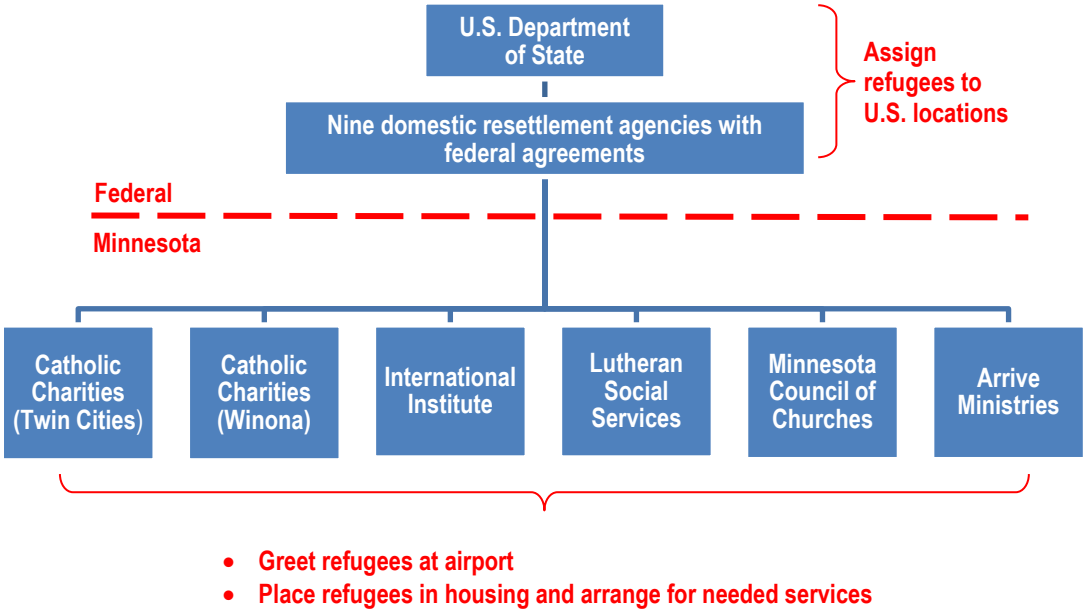
[14] *Ibid.* Federal law also directs the office to take into account recommendations of the affected state "to the maximum extent possible." 8 *U.S. Code*, sec. 1522(a)(2)(D), accessed electronically February 6, 2018.

[15] U.S. Department of Health and Human Services, Administration for Children and Families, Office of Refugee Resettlement, "Coordinated Placement," https://www.acf.hhs.gov/orr/programs/coordinated-placement, accessed February 8, 2018.

[16] The local resettlement affiliates are sometimes called "VOLAG affiliates." "VOLAG" is an acronym for a voluntary agency.

Minnesota's local resettlement affiliates has an agreement with one of the nine domestic resettlement agencies that contract directly with the U.S. Department of State.) A case manager from a local resettlement affiliate greets the newly arriving refugee at the airport and then helps the refugee get settled in the community. This may involve tasks such as helping the refugee secure housing, apply for Social Security, get registered in school, and seek public services (such as health screenings, health services, employment services, income assistance, or social services). A local resettlement affiliate receives $2,125 from the federal government for each refugee it helps to resettle.[17]

Exhibit 1.2: Responsibilities for Assignment, Reception, and Resettlement of Refugees Admitted to the U.S.



NOTE: The Lutheran Social Services local resettlement affiliate has offices in both Minneapolis and St. Cloud.

SOURCE: Office of the Legislative Auditor, based on U.S. Department of State documents and Minnesota Department of Human Services data.

Second, the U.S. Department of Health and Human Services allocates to states federal funding for refugee-specific services; in Minnesota, this funding is administered by the Resettlement Programs Office in the Minnesota Department of Human Services. Exhibit 1.3 shows the federal funding Minnesota received in recent years.

To receive financial assistance from the federal Office of Resettlement Services, a state must have a federally approved state plan for refugee resettlement. The plan must specify how the state will meet federal service requirements, and it must designate a state coordinator of refugee resettlement services.[18] The plan must also indicate how the state

[17] This per-refugee payment is split almost equally between an amount given to the client to cover items such as rent and an amount retained by the local resettlement affiliate for its administrative costs.

[18] For example, the plan must specify how the state will administer federal funds for refugees. The state must separately submit an annual goal plan. Examples of federal goals for refugees include unsubsidized employment, cash assistance terminations due to earned income, and offers of full-time employment with health benefits.

Exhibit 1.3: Federal Refugee Resettlement Revenues Provided to Minnesota, Federal Fiscal Years 2014-2016

	2014	2015	2016
Cash, Medical, and Administrative Assistance [a]	$2,729,595	$2,492,677	$2,796,985
Refugee Social Services Grants	2,545,188	2,660,257	3,286,847
Targeted Assistance Grants	755,628	722,368	723,647
Student Grants	429,555	433,935	521,707
Elderly Grants	48,780	51,865	NA
TOTAL	$6,508,746	$6,361,102	$7,329,186

NOTES: Federal grants specifically for the purpose of assisting elderly refugees were rolled into Refugee Social Services Grants after Federal Fiscal Year 2015. Federal grants for the purpose of assisting students who were refugees were rolled into Refugee Social Services Grants after Federal Fiscal Year 2016.

[a] This category includes federal funds for the state Resettlement Program Office's administrative costs, Refugee Cash Assistance payments, Refugee Medical Assistance payments, and administration of refugee health screening.

SOURCE: Minnesota Department of Human Services.

will care for and supervise unaccompanied refugee children in the state. In addition, the plan must identify ways that refugees will be screened, treated, and monitored for medical conditions.

Individuals with refugee status may be eligible to receive federal cash and medical assistance during their first months in the U.S.:

- The **Refugee Cash Assistance** program provides cash payments to refugees who are actively seeking employment and are ineligible for federal Supplemental Security Income or the Minnesota Family Investment Program. In Minnesota, this means that Refugee Cash Assistance is available only to single individuals ($360 per month) and childless couples ($547 per month). Recipients can receive payments for up to eight months following arrival in the U.S. This program is 100 percent federally funded.

- The **Refugee Medical Assistance** program provides federally funded health care coverage for up to eight months to individuals who are ineligible for Medicaid. However, because the income limits for Minnesota's Medicaid program are higher than the limits for Refugee Medical Assistance, nearly all refugees in Minnesota are ineligible for the Refugee Medical Assistance program.

As described in the Appendix, states can choose one of three models for administering the federal Refugee Cash Assistance program. Minnesota relies on a combination of public and private agencies. Private agencies receive grants to administer Refugee Cash Assistance in Anoka, Carver, Dakota, Hennepin, Olmsted, Ramsey, Scott, and Washington counties, while county human services offices administer this funding in the other 79 counties.[19]

[19] In these eight counties, DHS contracts with local resettlement affiliates that provide reception and placement services to also administer Refugee Cash Assistance payments. In Federal Fiscal Year 2017, the total amount of the contracts to administer Refugee Cash Assistance was about $345,000.

Number and Characteristics of Refugees

Over the years, Minnesota has been the initial destination for many refugees from other countries. In Federal Fiscal Year 2015, Minnesota's 2,291 newly arrived refugees represented 3.3 percent of all refugees who arrived in the U.S. that year.

Another way to look at a state's refugee numbers is to compare the total state population with the number of arriving refugees. In Federal Fiscal Year 2015, seven states had fewer state residents per arriving refugee than did Minnesota, as shown in the box on this page.

Minnesota's total number of newly arrived refugees in the past four decades has fluctuated significantly. The number arriving in recent years has been well below the peak in 2004.

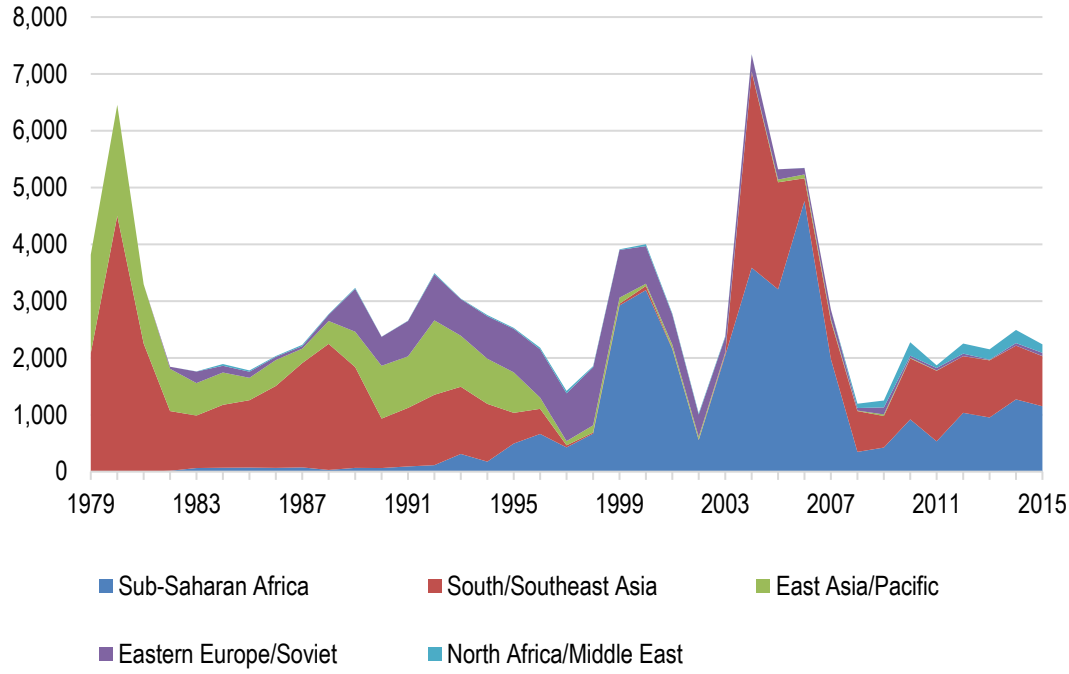
Exhibit 1.4 shows the annual number of individuals—and their regions of origin—who have arrived in Minnesota with refugee status since 1979. In the early years shown, individuals from southeastern Asia (particularly Vietnam, Laos, and Cambodia) made up large shares of Minnesota's arriving refugee population. The 1990s saw an increase in the number of refugees from countries in eastern Europe (such as Bosnia and the former Soviet republics) and sub-Saharan Africa (such as Somalia and Ethiopia). In 2004 through 2006, there was a sharp increase in the total number of refugees who arrived in Minnesota; the largest number of refugees in any single year since 1979 was 7,351 in 2004. This increase coincided with the closure of the last temporary shelter for Hmong refugees in Thailand, and it also included the continued arrival of many refugees from African countries such as Somalia and Ethiopia. From 2000 to 2015, the countries that accounted for the largest number of arriving refugees in Minnesota were Somalia (19,064), Burma (7,346), Laos (5,399), Ethiopia (4,007), and Liberia (3,055).

States with the Fewest Residents Per Arriving Refugee, Federal Fiscal Year 2015

North Dakota	1,523
Nebraska	1,578
Idaho	1,768
South Dakota	1,773
Vermont	2,007
Arizona	2,176
Kentucky	2,223
Minnesota	**2,393**
U.S.	4,589

To examine the characteristics of Minnesota's newly arriving refugees, we focused on those who arrived in the state between 2011 and 2016. During that time, more than 14,000 refugees have been placed in Minnesota from another country.

Exhibit 1.4: Refugees Arriving in Minnesota, by Their Home Region, 1979-2015



NOTES: This exhibit shows primary refugees to Minnesota (those arriving from other countries) and not secondary refugees (those who first located in a U.S. state other than Minnesota and later moved to Minnesota). The exhibit excludes refugees from the Latin America/Caribbean and Western Europe regions, which together averaged about 9 refugees to Minnesota annually during this period. The data are "stacked," meaning that the top of the colored portion of the graph in any year represents the total refugees from all the regions for that year.

SOURCE: Office of the Legislative Auditor, analysis of Minnesota Department of Health data.

Minnesota's refugees have tended to be young, including many children.

The box on this page shows the age of recent refugees to Minnesota. Between 2011 and 2016, about 47 percent of refugees arrived in Minnesota at age 18 or younger. Another 42 percent of refugees were between the ages of 19 and 44. About 2 percent of refugees were in the oldest age cohort shown (65 and older).

Refugees to Minnesota have been almost evenly split between males and females. Between 2011 and 2016, 50.1 percent of refugees who arrived in Minnesota from other countries were male, while 49.9 percent were female.

Age at Arrival of New Refugees to Minnesota, 2011-2016

Less than 5	12.9%
5 to 14	25.3
15-18	8.5
19-24	14.4
25-44	27.3
45-64	9.4
65 and older	2.1

A large majority of recent refugees have located in a few Minnesota counties.

Between 2011 and 2016, about 90 percent of Minnesota's refugees have initially located in one of five counties: Anoka, Hennepin, Olmsted, Ramsey, or Stearns. The box on this page shows the counties that became home to the largest number of new refugees during this period. At least one refugee resettled in each of 30 Minnesota counties during the 2011 to 2016 period, while the remaining 57 counties did not receive a single refugee.[20] Minnesota's most populous county outside of the Twin Cities metropolitan area (St. Louis County) was the initial home to only one refugee from another country between 2011 and 2016.

Minnesota Counties That Received the Most New Refugees, 2011-2016

Ramsey	7,483
Hennepin	2,798
Stearns	1,166
Olmsted	697
Anoka	645
Kandiyohi	210
Dakota	170
Rice	160
Clay	140
Lyon	101
Scott	101

Another way to analyze the location of new refugees is to consider their numbers relative to total county population. To the extent that local taxpayers bear certain public costs for refugees (which we discuss in Chapter 2), counties with larger concentrations of refugees may have greater costs to serve them than counties with smaller concentrations. Two counties—Ramsey and Stearns—have had the smallest number of county residents per arriving refugee. In 2016, Ramsey County had 369 residents per refugee that arrived that year, and Stearns County had 554 residents per arriving refugee; in contrast, Hennepin County had 1,961 residents in 2016 per arriving refugee.

Information on "secondary" refugees is weak, but available data suggest that many refugees have moved to Minnesota after first arriving in other states.

Up to this point, this chapter has focused on the number and characteristics of refugees who have come directly to Minnesota after arriving in the U.S. These individuals are known as "primary" refugees. However, some new arrivals to the U.S. move out of the state in which they were initially placed. Such refugees are called "secondary" refugees.

The available data on the number of secondary refugees in Minnesota and other states are incomplete. According to the Minnesota Department of Health, "there is no systematic way to identify all secondary refugees migrating to Minnesota."[21] Likewise, there is no comprehensive way to determine the extent to which refugees who were initially placed in Minnesota subsequently moved to other states. The Department of Health may be notified of secondary refugee arrivals by local public health agencies, clinics, or resettlement agencies; however, many secondary refugees are no longer eligible for the federally funded

[20] The places where refugees resettle depend significantly on the location of local affiliated resettlement agencies. As noted earlier, refugees must generally be placed within 100 miles of a resettlement agency, although there can be exceptions.

[21] Minnesota Department of Health, "Refugee Health Statistics," http://www.health.state.mn.us/divs/idepc/refugee/stats/index.html#primary, accessed December 13, 2017.

case management services that last for 90 days after arrival in the U.S. Moreover, refugees are free to move among states (like any U.S. resident), and they are not required to notify state officials when they move. Minnesota's refugee resettlement coordinator told us that the only reliable source of information on the state's number of refugees is for primary—not secondary—refugees.

While the data on secondary refugees are incomplete, they suggest that significant numbers of refugees have moved to Minnesota from other states. The most recent data formally published by the federal Office of Refugee Resettlement (in a 2015 report) indicated that 3,387 secondary refugees migrated into Minnesota from another state within two years of arriving in the U.S.; this was much greater than the state with the next highest reported in-migration (Florida, with 1,367).[22] Minnesota's state refugee coordinator told us that Minnesota's high reported number of secondary refugees may reflect (1) that many refugees do, in fact, move to Minnesota and (2) more complete reporting by Minnesota compared with other states regarding the number of secondary refugees. She said there is no consistent methodology by which states report to the federal government on their number of secondary refugees. Further, she said most states have reported only those persons using federal refugee programs; in contrast, she said, Minnesota's numbers have also included refugees that used a variety of other federal and state programs offering cash, food, or medical assistance.

[22] U.S. Department of Health and Human Services, *ORR Indicators for Refugee Resettlement Stakeholders* (Washington, DC: June 2015), 17. The report provided minimal information on how secondary refugees were defined or identified, although a federal official told us that the data reflected individuals enrolled in certain public assistance programs who had come to the U.S. in the previous 24 months. These data—unlike some other data on secondary refugees produced by the federal government—show each state's in-migrating number of secondary refugees, rather than only the net number of those moving in and moving out.

Chapter 2: Fiscal Impacts

During the 2017 legislative session, some legislators wanted our office to determine the fiscal impact that refugee resettlement has had on state and local governments in Minnesota. However, we questioned whether data would be available for this purpose, so the Legislative Audit Commission instead directed our office to do a narrower study. Specifically, they asked us to assess the extent to which data are—or are not—available for assessing refugee-related fiscal impacts.

This chapter begins with a framework for evaluating fiscal impacts, and it then outlines several challenges for assessing these impacts. We found that few agencies specifically track refugee-related costs or revenues. For most agencies, there is no particular reason to collect information about the immigration status of individuals receiving public services or paying taxes.

Framework for Assessing Impacts

As a starting point for considering the fiscal impact of resettled refugees, we developed a conceptual framework. People who arrive in Minnesota with refugee status are eligible to use most of the publicly provided services that U.S.-born residents of the state use.[1] However, our framework attempts to identify key state or local services that could be significantly affected by the arrival of individuals in the state through the U.S. Refugee Admissions Program.

An analysis of fiscal impacts should consider both the public revenues refugees generate and the cost of public services they consume.

Exhibit 2.1 provides an overview of potential refugee-related fiscal impacts. On one hand, refugees generate revenues that help pay for public services. For example, an employed refugee pays income taxes, a refugee who owns or rents a home pays property taxes, and a refugee who makes purchases pays sales taxes. Public costs that are incurred on behalf of refugees will, to some extent, be offset by public revenues the refugees generate. Later in this chapter, we discuss national research that has examined the extent to which refugees' tax revenues cover the cost of services they consume.

A fiscal impact analysis should also consider refugee-related costs in various governmental areas, as shown in Exhibit 2.1. These are services that (1) refugees are likely to use or (2) could—if used by refugees—be expensive to provide.

Refugees incur some public costs by virtue of their immigration status. As noted in Chapter 1, refugees are eligible to receive Refugee Cash Assistance payments during their first eight months in the country. Refugee Cash Assistance payments are entirely funded by the federal government, but a fiscal analysis should consider any state or local administrative costs for this program. Health screening is another example of a refugee-specific service. State and local public health agencies give particular attention to the health of individuals who are new to the country, and these agencies incur some costs for refugee screening activities.

[1] For some public programs, individuals must live in the state for a period of time before they are eligible to participate. Such requirements would apply to refugees as they would apply to others.

Exhibit 2.1: Areas of State or Local Government on Which Refugees May Have a Fiscal Impact

Impacts on Public Revenues	Public Activities or Services
Taxes and Fees	Collect state and local taxes, such as income taxes, property taxes, and sales taxes. Collect user fees, such as sewer and water fees and surcharges.

Impacts on Public Expenditures	Public Activities or Services
Financial Assistance	Provide cash assistance, food assistance, and/or medical assistance to eligible, low-income families or individuals. Examples: Refugee Cash Assistance, Temporary Assistance for Needy Families, General Assistance, Supplemental Nutrition Assistance Program, Medical Assistance, and MinnesotaCare.
Social Services	Provide services to support persons with limited financial resources and protect vulnerable persons from harm. Examples: mental health services; substance abuse services; child protective services; adult protection; client transportation services; and interpreter services.
Preschool to 12th Grade Education	Provide education to children through regular instruction, special education, English as a Second Language instruction, bilingual education, remedial education, and others.
Adult Basic Education	Provide education to adults by helping them get high school credentials, learn English, improve basic skills (such as literacy and math), and prepare for employment or higher education.
Employment Services	Provide assistance to unemployed or underemployed persons. Examples: job search assistance and job training.
Law Enforcement and Correctional Services	Arrest, detain, and prosecute individuals suspected of having committed crimes. Provide public legal representation to low-income individuals.
Public Health Services	Screen individuals for potential risks to public health. As needed, provide immunizations, make referrals, and arrange for health-related treatment or services.
Housing Assistance	Provide subsidies to help low-income individuals obtain safe, affordable housing.

NOTES: Refugees may consume most of the publicly provided services that other residents of a state or locality consume. For some services not shown here (such as libraries and roads), state and local government would probably bear negligible added costs when serving additional residents, at least until the number of added residents becomes large. This exhibit focuses on services for which state and local governments are most likely to incur discernible costs: specifically, services that are income-based, address skill or language deficiencies, or relate to challenges individuals may face when transitioning to a different country or culture. We did not include higher education in this exhibit, focusing instead on the more basic educational services that refugees may require.

SOURCE: Office of the Legislative Auditor.

Refugees are eligible to use public services to support their well-being as they transition into a new country. They often arrive in the U.S. with limited financial resources, so they may qualify for income-based assistance programs available to the general population. Refugees forced to flee from their home countries may also need help finding jobs or affordable housing. Education services in refugee camps are often minimal or nonexistent, so the children of refugees may need help in U.S. schools to learn English or compensate for educational deficits. Likewise, adult refugees may need education to learn English or prepare for employment. Some refugees have experienced traumatic or lengthy transitions from their home countries to the U.S., and they might need social services to address mental health or chemical health issues.

Exhibit 2.1 includes law enforcement and correctional services because these services—to the extent they are used—can be expensive. For example, persons who are arrested may use the resources of police, public defenders, public prosecutors, the courts, and jails or prisons.[2] If possible, an analysis of the overall fiscal impact of refugees should consider the magnitude of these costs.

For some public services, the consumption of those services by new residents (refugees or others) would not result in noticeably higher public costs or deprive others of services. For example, unless the number of refugees moving to a city is large, cities may be able to accommodate new residents without having to build additional streets, libraries, water mains, or sewers.

Key Analytical Challenges

Any attempt to document the public fiscal impacts of refugee resettlement would have to confront several challenges. These challenges include determining how long to track fiscal impacts, finding a way to identify persons who are refugees, and determining how to estimate the costs or revenues associated with refugees.

Deciding How Long to Track Refugee Impacts

In Chapter 1, we discussed the legal definition of "refugee." We said that refugees are persons who have been forced to flee their home countries and cannot return due to the possibility of persecution. However, for purposes of analyzing the fiscal impact of refugee resettlement, it is necessary to supplement this definition.

For analytical purposes, it is necessary to decide the time span during which a refugee's fiscal impacts will be examined.

A person's immigration status, eligibility for public programs, and tax liabilities can change over time. Likewise, a person's fiscal impacts may change. These impacts could be analyzed for either short or longer periods:

[2] A recent review of research examined the relationship between immigration and crime. It said that many prior studies "treat immigrants as a homogeneous population and fail to account for significant variation across types of immigrants." Overall, the review concluded that "the immigration-crime association is negative—but very weak," adding that "there is significant variation in findings across studies"; see Graham Ousey and Charis Kubrin, "Immigration and Crime: Assessing a Contentious Issue," *Annual Review of Criminology* 1 (2018): 63-84.

- **Short-term analysis, such as while a person is officially classified as a "refugee."** Federal law requires persons admitted to the U.S. with an immigration status of "refugee" to apply for a different immigration status ("lawful permanent resident") one year after entering the country.[3] Thus, from a legal standpoint, individuals might be classified as "refugees" for relatively short periods of time. One approach to assessing fiscal impacts would be to include only those public costs and revenues that occur during the period when a person is officially recognized as a "refugee" and does not yet have a different immigration status.

- **Longer-term analysis.** Alternatively, fiscal impacts could be considered well beyond the period when individuals have a "refugee" immigration status. This approach would focus on persons who have—or have ever had—refugee status in the U.S. It would examine fiscal impacts over a period of many years. Some analyses have even estimated immigrants' fiscal impacts over multiple generations, taking into account the fiscal impacts of the children born to newcomers to the U.S.[4]

In our view, an analysis of the fiscal impact of refugee resettlement using a short-term perspective would be overly narrow. Individuals who resettle through the U.S. Refugee Admissions Program will have public fiscal impacts for the duration of their lives. If a fiscal analysis were to focus only on the period immediately following an individual's arrival in the U.S., it would disregard periods when an individual is more likely to be earning money and paying taxes.

Identifying All Refugees

After deciding whether to use a short-term or longer-term perspective for analyzing the fiscal impact of refugee resettlement, researchers would need to identify current or former refugees in the population—for purposes of estimating their cost and revenue impacts.

Existing data do not provide a comprehensive basis for identifying all Minnesotans who are now—or have ever been—refugees.

The Minnesota State Demographic Center has access to large data sets with information on the characteristics of Minnesotans, but these do not identify which individuals arrived in the U.S. as refugees. A major source of the center's data is the U.S. Census Bureau. The bureau collects information on the length of time foreign-born individuals have lived in the U.S. and their countries of birth; however, it does not collect information on the official immigration status of individuals (including whether they came to the U.S. as refugees). While census data can identify individuals who have immigrated to the U.S., this is very different from identifying the subset of immigrants who came to the U.S. as refugees.

Due to the limitations of large demographic data sets, researchers might attempt to identify refugees by using administrative data collected by public agencies. Most notably, human services agencies collect data on the current immigration status of individuals who apply

[3] 8 *U.S. Code*, sec. 1159(a), accessed electronically February 6, 2018.

[4] Some studies use very long time horizons. For example, Francine Blau and Christopher Mackie, eds., *The Economic and Fiscal Consequences of Immigration* (Washington, DC: The National Academies Press, 2017), relied on a variety of assumptions over a 75-year time frame, and the study's estimated fiscal impacts depended considerably on the assumptions used. Some researchers have criticized estimates with such long time horizons for this reason.

for cash assistance, food assistance, or medical assistance. Because refugees typically arrive in the U.S. with few financial resources, many apply for public assistance.

But administrative databases have their own limitations for the purpose of identifying refugees. An example of a large administrative database is MAXIS, which is used to determine eligibility for many of Minnesota's state-administered public assistance programs. While MAXIS was not designed for the purpose of tracking individuals' immigration status over time, information in MAXIS could be queried to identify (1) all current service recipients whose immigration status is "refugee" or (2) each person who has ever been recorded (as part of an eligibility determination) as having an immigration status of "refugee." For several reasons, such queries would not result in complete information on Minnesotans who arrived in the U.S. as refugees.

First, although MAXIS is a longstanding system (with information dating to the early 1990s), many refugees came to Minnesota in a period that predated MAXIS. Between 1979 and 1990, Minnesota received more than 33,000 refugees from other countries, mostly in southeast Asia. Many of these individuals still live in Minnesota—consuming public services and paying taxes. For refugees who left public assistance before MAXIS was developed, there would be no way to identify them from human services eligibility records.[5]

Second, information in MAXIS on the immigration status of individuals is not necessarily up to date. Public assistance caseworkers must re-verify a service recipient's immigration status when that person's documentation of immigration status expires or when the individual reports a change in immigration status. But, refugees—unlike most other immigrants—receive documentation of their immigration status that is valid indefinitely. Thus, caseworkers are not required to check on the immigration status of a person classified as a refugee unless the person reports a change.[6] As a result, MAXIS may indicate that some individuals currently have an immigration status of "refugee" when, in fact, this is no longer correct. Later in this chapter, we discuss this issue further.

Third, MAXIS does not necessarily have the complete immigration history of individuals who receive public assistance in Minnesota. When individuals who are not U.S. citizens apply for public assistance, their current immigration status must be verified using a national database.[7] However, MAXIS only contains information that caseworkers collect from individuals (or verify) at the time of initial or subsequent eligibility determinations. As a result, some individuals who initially came to the U.S. as refugees (perhaps to a state other than Minnesota) may have become lawful permanent residents or even U.S. citizens by the time they applied for public assistance in Minnesota.[8] MAXIS would not indicate that these individuals were once refugees.

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[5] Starting in Fall 2013, some public assistance recipients' demographic and eligibility information resided in the Department of Human Services' (DHS) Minnesota Eligibility Technology System (METS); eventually, DHS intends to keep all of this information in METS. The start-up of this new system means that queries to identify persons in DHS records with certain immigration statuses might need to include both the MAXIS and METS databases.

[6] If a service recipient reports a change in immigration status, the caseworker updates this information in MAXIS. However, a change of immigration status to "lawful permanent resident" or "U.S. citizen" does not affect the person's eligibility for public programs.

[7] This verification process—administered by the U.S. Citizenship and Immigration Service—is called the Systematic Alien Verification for Entitlements (SAVE) Program.

[8] Persons admitted to the U.S. as refugees must apply to have their immigration status changed to "lawful permanent resident" (and receive a "green card") 12 months after entering the U.S. Thus, the period of time when an individual is officially classified as having "refugee" status might not be a lengthy period.

Finally, some former refugees living in Minnesota might never have enrolled in public assistance in Minnesota—in which case, MAXIS records would present an incomplete picture of Minnesotans who were once refugees. For example, perhaps a refugee first lived in Ohio upon entering the U.S. and received public assistance there. But, after a few years, that individual moved to Minnesota, did not apply for public assistance, but continued to have fiscal impacts (through public services consumed and taxes paid).

Related to the last two points, there is no comprehensive way to determine the extent to which refugees who first arrived in one state later moved to Minnesota. Under a 1951 United Nations treaty (and a related 1967 protocol) that defined refugee rights, refugees have the right to choose their place of residence within the nation to which they relocate and may move freely there.[9] Refugees admitted to the United States can move among states, and there is no legal requirement for them to notify state authorities regarding interstate moves.[10] If a refugee moves from one state to another, the federal resettlement money that was provided to the first state does not (if any remains at the time of the move) follow the refugee to the second state—thus, this federal resettlement money leaves no "money trail" when refugees move.

Overall, demographic data and human services administrative data do not provide comprehensive, reliable information on individuals in Minnesota who are (or once were) refugees. It would be possible to identify many current or former refugees using administrative data from MAXIS, but it is unclear whether these individuals would have characteristics representative of the full refugee population.

Documenting Refugee-Related Costs or Revenues

If a researcher could comprehensively identify refugees in Minnesota, the next step in a fiscal analysis would be to examine the amount of public services they consume and the amount of public revenues they generate.

Few public agencies besides human services agencies identify which of their "customers" are refugees.

As noted above, the Minnesota Department of Human Services requires persons who are applying for certain programs to disclose their immigration status, and this information is subsequently verified. The department's collection of these data provides some ability to assess the extent of services and expenditures for persons identified as refugees. Later in this chapter, we discuss refugee-related expenditures within this department.

However, as described below, there is little or no tracking of refugee-related expenditures, services, or outcomes in other state or local public agencies. Several officials in state or local agencies told us that information about a person's refugee status (or, more broadly, their immigration status) is simply not considered essential to obtain. Likewise, the

[9] United Nations General Assembly, *Convention Relating to the Status of Refugees*, July 28, 1951, United Nations Treaty Series, 189, p. 137; and United Nations General Assembly, *Protocol Relating to the Status of Refugees*, January 31, 1967, United Nations Treaty Series, 606, p. 267. The United States ratified the protocol in 1968.

[10] Most noncitizens are required to report changes in address to U.S. Citizenship and Immigration Services.

Minnesota Government Data Practices Act says that public agencies should only collect "necessary" information on individuals:

> Collection and storage of all data on individuals and the use and dissemination of private and confidential data on individuals shall be limited to that necessary for the administration and management of programs specifically authorized by the legislature or local governing body or mandated by the federal government.[11]

City Governments

Minnesota's two largest cities have ordinances that largely prohibit the cities from obtaining information about the immigration status of individuals served. Ordinances in Minneapolis and St. Paul both state: "City employees shall only solicit immigration information or inquire about immigration status when specifically required to do so by law or program guidelines as a condition of eligibility for the service sought."[12] In addition, both cities have ordinances that prohibit their police departments from inquiring about immigration status. For example, Minneapolis's ordinance says: "Public safety officials shall not undertake any law enforcement action for the purpose of detecting the presence of undocumented persons, or to verify immigration status, including but not limited to questioning any person or persons about their immigration status."[13]

We do not know whether any other Minnesota cities have adopted similar ordinances, but officials in cities we contacted (Rochester, St. Cloud, and St. Paul) told us they collect no information about residents' immigration status. St. Cloud's mayor and former city administrator told us that, although the city has not explicitly tracked refugee-related expenditures, they believe that the growth of the refugee population in St. Cloud has had no discernible impact on city expenditures.

County Governments

We contacted officials in three counties (Hennepin, Ramsey, and Stearns) to discuss information they collect related to services provided to refugees. Counties administer certain aspects of the state's cash assistance, food assistance, and medical assistance programs, and—as indicated earlier—those programs collect information on individuals' immigration status during the eligibility determination process.[14]

But, aside from human services programs, county officials said they have little information that would allow them to quantify which service recipients are refugees and the cost of those services. For example, a Ramsey County official said:

> It is very difficult to determine the costs of county services provided to refugees that are borne by county taxpayers because most services that require verifying immigration status are state or federal programs (i.e., cash and food assistance). Most services that are county paid do not inquire

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[11] *Minnesota Statutes* 2017, 13.05, subd. 3.

[12] Minneapolis Ordinance 19.20 (General City Services), adopted 2003; and St. Paul Ordinance 44.02 (General City Services), adopted 2004.

[13] Minneapolis Ordinance 19.30 (Public Safety Services), adopted 2003.

[14] These programs are state-supervised but county-administered. We discuss refugee-related fiscal impacts in these programs later in this chapter.

> [about] or track immigration status (e.g., emergency communications, parks and rec, libraries, housing assistance).[15]

According to administrators of some individual county departments, refugees have had limited impact on county taxpayers. For example, the manager of Hennepin County's public health clinic told us that 1.9 percent of the individuals who visited the clinic in 2016 were primary refugees (those who came to Minnesota directly from another country), and another 0.7 percent were secondary refugees (those who first arrived in another U.S. state before moving to Minnesota).[16] She said that refugees have "not had a significant impact on our administrative costs."[17]

Likewise, in a recent presentation to the Stearns County Board of Commissioners, that county's human services director said:

> Very few county taxpayer dollars are used to support the Somali resettlement in Stearns County. County services provided to support the Somali refugee community are mandated services through the Civil Rights Act of 1964 (interpreters) and through the Department of Human Services (coordination of health assessments) to ensure prevention of communicable disease.[18]

She noted that her department spent about $240,000 of county tax revenues for interpreter services in 2016 (not solely for services to refugees); it spent $57,000 for public health services to refugees in 2016 (some of which was offset by federal and/or state revenues).

In the three counties we contacted, none of the sheriff's offices routinely collect information on the immigration status of individuals they take into custody. These counties have information on the home country of individuals booked into the jail, but not on their immigration status.[19]

Education Agencies

There are costs to educate all children in Minnesota, including individuals who come to the U.S. as refugees or are the children of refugees. In Chapter 1, we noted that nearly half of the refugees arriving in Minnesota in recent years have been age 18 or younger. While the

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[15] Elizabeth Tolzmann, Ramsey County Director of Policy and Planning, e-mail message to Joel Alter, Office of the Legislative Auditor, "Response to inquiry on refugee fiscal impacts in Ramsey County," November 24, 2017.

[16] The clinic had a total of 12,506 clients in 2016; 240 were primary refugees and 91 were secondary refugees.

[17] Paula Nelson, Operations Manager, Hennepin County Public Health Clinic, e-mail message to Joel Alter, Office of the Legislative Auditor, "Re: Fiscal impact of services to refugees," November 7, 2017.

[18] Melissa Huberty, Stearns County Human Services Director, "Refugee Resettlement and Public Assistance," presentation to the Stearns County Board of Commissioners, November 14, 2017. In the presentation, Ms. Huberty said, "There are no county funds budgeted for refugee resettlement programs."

[19] According to Stearns County jail officials, 7.2 percent of individuals booked into that county's jail between January 2015 and early October 2017 were born in a country other than the U.S. Individuals from Somalia accounted for 301 bookings (1.5 percent of all bookings), which was the most of any non-U.S. country. According to Hennepin County jail officials, 8.3 percent of individuals booked into that county's jail in 2017 were citizens of a country other than the U.S. Individuals from Mexico accounted for 534 bookings (1.7 percent of all bookings), which was the most of any non-U.S. country.

total number of refugee children who arrive in Minnesota from other countries is not large in any given year, some may require special services to meet their education needs.[20]

The Minnesota Department of Education—which maintains statewide data on student enrollment and performance—does not collect any data that specifically identifies which students are refugees. A state law passed in 2016 required the department to report on student performance (including education growth) by "refugee status," among other categories.[21] However, this provision was repealed by the 2017 Legislature, before the data collection or reporting requirements took effect.[22]

Students from refugee families may fit certain categories defined in Minnesota law that pertain to students with limited English skills. The box on the next page shows the three school districts with the largest numbers in each category.[23] These categories are defined as follows:

- **English Learners:** State law defines "English Learners" as students with the following characteristics: (1) comes from a home where the language usually spoken is other than English (or the student usually speaks a language other than English); and (2) is determined by a valid assessment of English language proficiency and by developmentally appropriate measures to lack the necessary English skills to participate fully in academic classes taught in English.[24] School districts qualify for state English Learner revenue using a formula that takes into account the number of such students that are enrolled.

- **Students with limited or interrupted formal education (known as "SLIFE"):** According to state law, SLIFE students must meet all of the following criteria: (1) comes from a home where the language usually spoken is other than English (or the student usually speaks a language other than English); (2) entered school in the U.S. after grade six; (3) has at least two years less schooling than peers; (4) functions at least two years below expected grade level in reading and math; and (5) may be preliterate in his or her native language.[25] Although this population presents unique challenges for school districts, there is no federal or state funding specifically designated for students categorized as SLIFE.

An official with the St. Cloud School District told us that the district's expenditures for English Learners exceeded the state revenues the district received for this purpose by

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[20] For example, the St. Cloud School District started "English academies" at two high schools and two junior high schools for students who arrive in the district from other countries. Students spend part of each school day in the academy, usually for less than a year. They learn English, but they also learn basic education concepts, such as how to use pens or pencils. The academies are staffed by English Learner teachers and bilingual support staff.

[21] *Laws of Minnesota* 2016, chapter 189, art. 25, sec. 21.

[22] *Laws of Minnesota* 2017, First Special Session, chapter 5, art. 2, secs. 17 and 19, as codified in *Minnesota Statutes* 2017, 120B.31, subd. 4, and 120B.35, subd. 3(a)(2).

[23] The Department of Education has collected SLIFE data for only two years.

[24] *Minnesota Statutes* 2017, 124D.59, subd. 2(a).

[25] *Minnesota Statutes* 2017, 124D.59, subd. 2a. State statutes refer to this population as English learners with an "interrupted formal education."

almost $1.6 million in the 2016-2017 school year. This required the district to pay for the balance out of the district's general revenue sources.[26]

The significant number of English Learners and SLIFE students have had impacts on districts such as Minneapolis, St. Cloud, and St. Paul, but these districts do not collect data that would enable researchers to identify students who are refugees (or from families of refugees). Districts sometimes collect information on whether the students were born in another country; they do not collect information on refugee status or citizenship. For example, the St. Paul School District told us:

School Districts with Largest Number of "English Learners" and "Students with Limited or Interrupted Formal Education" (SLIFE), 2016-2017 School Year

School District	English Learners	SLIFE Students	All K-12 Students
St. Paul	12,651	1,154	36,278
Minneapolis	10,176	330	35,534
St. Cloud	2,605	552	9,505
Statewide	78,494	3,899	855,867

NOTE: This table includes all English Learners and SLIFE students, regardless of whether they are U.S. citizens, noncitizens, immigrants, or nonimmigrants.

> [Our student placement office does] not require families to share legal status, country of citizenship, or refugee status to enroll in school. When we are able (usually during in-person intakes), we ask about the birth place of the student and record this information in [the student data system] (this is not required either). However, there are a great many students that we do not see in-person and therefore do not have the opportunity to collect this information. Because we do not collect much, if any, of these pieces of information, there is not reliable data to analyze from our perspective.[27]

Overall, while some school districts have sizable numbers of students designated as English Learners or SLIFE students, these categories are not limited to students who came to the U.S. as refugees or were born to refugee parents. To our knowledge, there is no sound basis to determine what portion of K-12 education costs to attribute to refugee students.

Finally, we examined what data, if any, are available regarding the cost of serving refugees in Adult Basic Education (ABE) programs throughout the state. These services help persons age 17 and older who are not enrolled in K-12 public or private school and who lack academic skills in reading, writing, speaking, or math. Participants can learn English, obtain high school equivalency diplomas, or enhance basic skills.

The Minnesota Department of Education administers ABE statewide, and the department told us that it does not collect information related to ABE students' immigration (including

[26] According to data from the St. Cloud district, the local responsibility for English Learner services has grown over time. In the 2013-2014 school year, for example, expenditures for these services exceeded state revenues by $926,000.

[27] Paul Adams, Management Assistant, St. Paul Public Schools, e-mail message to Jayne Williams, St. Paul Public Schools, Erin Moline, St. Paul Public Schools, and Joel Alter, Office of the Legislative Auditor, "Re: Just touching base," November 21, 2017.

refugee) status. While many individuals enroll in ABE to learn English language skills, it is unclear how many of them are refugees.

Other Programs or Services

We did not conduct an exhaustive review of data collected by public agencies. But, besides the agencies and services discussed above, we asked agencies in several additional program areas about any refugee-specific data they collect.

- **Tax revenues:** We are unaware of state or local agencies that collect information on the refugee (or other immigration) status of taxpayers. The Minnesota Department of Revenue does not collect such information, and neither do tax-related agencies in several local governments with which we checked.

- **Employment services data:** For persons receiving certain employment-related services, the Minnesota Department of Employment and Economic Development asks about the "country of origin" of the service recipients, and whether those individuals are immigrants. However, the department does not require individuals to report this information, and the data do not specifically indicate whether the individuals served are refugees.

- **Driver and public safety data:** The Department of Public Safety maintains large databases related to (1) driver and vehicle services and (2) criminal history (arrests and convictions). Neither database has information on the refugee status of individuals who are subjects of the data.

- **Housing programs data:** The Minnesota Housing Finance Agency does not collect data on the refugee status of participants in any of the agency's housing programs.

The fact that there are no refugee-specific identifiers for many agencies' services is an important obstacle to assessing refugees' fiscal impacts. For agencies that do not collect data on which of their clients or customers are refugees, information on the public costs or revenues for individual refugees could be analyzed only if (1) a researcher obtained unique identifiers of refugees from another source and (2) these were matched against comparable individual identifiers in agencies that do not specifically identify refugee status. Such a process could be done only by researchers with authority to obtain not-public data.

Researchers with such authority could use refugees' Social Security numbers (obtained, for example, from state public assistance records) to identify refugees in Minnesota Department of Revenue records and determine these individuals' income tax payments over time. This approach could also be used to access information regarding local taxes paid by refugees; however, the need to check the records of multiple local tax agencies throughout Minnesota would significantly complicate this task.

Many public agencies (such as local libraries or parks departments) do not maintain data on the cost of services provided to individuals. Thus, the approach of using one agency's individual refugee identifiers to analyze costs (or revenues) in another agency would be useful only in limited circumstances.

Human Services Expenditures

Among state and local public services, human services is the area that can most readily identify refugee-related costs. This section discusses what is known about these costs and the limitations of the cost data.

Resettlement Programs Office

The Minnesota Department of Human Services (DHS) operates the state's Resettlement Programs Office. This office is headed by the state refugee resettlement coordinator, and it has a total of nine staff positions. Exhibit 2.2 shows a four-year expenditure history of this office, which is funded entirely by federal revenues.

Exhibit 2.2: State Resettlement Programs Office Expenses, Fiscal Years 2014-2017

	2014	2015	2016	2017
Payroll expenses	$ 875,638	$ 855,713	$ 831,964	$ 756,625
Refugee Cash Assistance (RCA) payments	1,138,013	1,156,100	1,064,003	1,394,823
Refugee Medical Assistance (RMA) payments [a]	99,910	3,176	(1,460)	3,771
Payments to counties for RCA administration	139,457	153,549	111,785	80,858
Payments to local resettlement affiliates for RCA administration	318,763	300,299	340,430	400,582
Payments to Minnesota Department of Health for refugee health screening administration	302,303	117,297	302,822	336,176
Grants to community organizations for refugee employment services and social services	4,000,302	3,060,200	4,419,134	3,944,238
Indirect costs and non-payroll expenses	98,617	88,293	79,732	101,020
TOTAL	$6,973,003	$5,734,627	$7,148,410	$7,018,093

NOTE: The expenditures in this table were all funded from federal grants provided to the Department of Human Services (DHS).

[a] DHS officials told us that nearly all individuals who were once covered by RMA are now—following implementation of the federal Affordable Care Act—covered by Medical Assistance. Occasionally, DHS finds instances in which refugee-related health services have been miscoded and charged to RMA. When this error is discovered, the RMA account is credited and the charges are assigned to Medical Assistance. DHS said this explains the negative payment amount shown for Fiscal Year 2016.

SOURCE: Office of the Legislative Auditor, analysis of Department of Human Services data.

Most of this office's expenses are grants to counties or community-based organizations that administer cash assistance payments or directly provide other services to refugees. For example, refugees can qualify for a federal program (Refugee Cash Assistance) during their first eight months after coming to the U.S. The private organizations that administered these funds in eight Minnesota counties received about $401,000 from DHS in Federal Fiscal Year 2017 for this purpose; DHS also allocated about $81,000 to county human services agencies to administer this program. In addition, DHS provided a total of about $3.9 million in federal funding to community-based organizations—such as African Community Services, the Hmong American Partnership, the International Institute of Minnesota, the Karen Organization of Minnesota, Lutheran Social Services, and the Minnesota Council of Churches—and several public education agencies to administer

certain employment services, social services, and student services that specifically target refugees.[28] These services are available only to refugees who have been in the U.S. for less than five years, and they are intended to supplement services available to the general population.

Cash, Food, and Medical Assistance

Most refugees arrive in the U.S. with few financial resources. As a result, many qualify—at least initially—for various income-based human services programs.

Primary Public Assistance Programs Available to Minnesota Refugees

Program	Services	Funding Sources
Medical Assistance (MA)	Health insurance	Federal-State
MinnesotaCare	Health insurance	Federal-State
Minnesota Family Investment Program (MFIP)	Cash and food assistance	Federal-State
General Assistance	Cash assistance	State
Refugee Cash Assistance	Cash assistance	Federal
Supplemental Nutrition Assistance Program (SNAP)	Food assistance	Federal

As shown in the box on this page, the main programs are Medical Assistance (MA), which is Minnesota's Medicaid program; MinnesotaCare, which provides public health insurance for certain persons who do not qualify for MA; the Minnesota Family Investment Program (MFIP), which is Minnesota's version of the federal Temporary Assistance for Needy Families (TANF) program; General Assistance, which provides cash assistance to certain persons who do not qualify for MFIP; Refugee Cash Assistance; and the Supplemental Nutrition Assistance Program (SNAP), a program that helps qualifying individuals and families buy food.

A recent estimate of the annual cost of serving refugees in the state's public assistance programs likely included individuals who were not refugees at the time the costs were incurred.

In early 2017, in response to queries from a newspaper and a nonprofit organization, DHS prepared an estimate of the state and federal costs of cash, food, and medical assistance paid to Minnesota refugees in recent years.[29] For Calendar Year 2015, DHS estimated that state-funded payments to refugees totaled $80.6 million; federally funded payments totaled another $100.7 million.[30] Altogether, these state and federal expenditures to refugees represented about 1.5 percent of all expenditures in the programs analyzed.

[28] In Federal Fiscal Year 2017, the public education agencies that had contracts with DHS were the Faribault School District, Lincoln International High School in Minneapolis, the Minnesota Department of Education, and the Worthington School District.

[29] The results of DHS's analysis were reported in Mila Koumpilova, "Refugee Resettlement Costs Are Up But Still a Small Part of Welfare Programs," *Star Tribune*, March 10, 2017.

[30] The programs included in the analysis were MA, MinnesotaCare, MFIP, SNAP, General Assistance, and Refugee Cash Assistance. Some of these programs are based on cases or households rather than individuals; in those programs, a case or household that had at least one person with an immigration status of "refugee" in the DHS data was counted as a refugee case or household.

However, there are important questions about the accuracy of the data on which the analysis relied, as previously noted in this chapter. Data used for this analysis were collected as part of eligibility determinations for state-supervised assistance programs, and they were stored in a database called MAXIS. When noncitizens apply for benefits, county caseworkers enter the individuals' immigration status into MAXIS, and this information is verified using a federal database. Refugees are required by law to apply for "lawful permanent resident" status after they have been in the U.S. for one year, and they may apply for U.S. citizenship after living in the country for five years. Thus, a refugee who enrolls in a public assistance program may subsequently undergo changes in immigration status. Caseworkers must re-verify an individual's immigration status when that person's documentation of immigration status expires or when the individual reports a change in immigration status. But refugees—unlike most other immigrants—receive documentation of their immigration status that has no expiration date. Consequently, caseworkers are not required to check on the immigration status of a person classified as a refugee unless the person reports a change.[31] Changing a person's status from "refugee" to "lawful permanent resident" or "U.S. citizen" does not affect the individual's eligibility for benefits, so caseworkers may not always update these codes. As a result, changes in MAXIS regarding the immigration status of public assistance recipients do not necessarily get made in a timely fashion.

In fact, the numbers in DHS's 2017 analysis of refugee costs appear to support the likelihood that immigration status codes have not been consistently updated. For example, DHS's analysis showed nearly 24,000 Medical Assistance recipients in 2015 whose immigration status was "refugee" at the time of the analysis. This is many times higher than the annual number of refugees who have entered Minnesota from abroad in recent years (an average of about 2,200 annually over a five-year period ending in 2015).

There are plausible reasons that the number of persons who have an immigration status of "refugee" and receive Medicaid in a given year may exceed the annual average of new arrivals.[32] But, given the requirement for refugees to apply for a different immigration status 12 months after entering the U.S., it seems doubtful that the true number of persons on MA officially classified as "refugees" would be 24,000. DHS's estimate of $80 million in state-funded refugee costs in 2015 probably included the cost of some persons who once were refugees but no longer were in 2015.[33]

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[31] For example, DHS's manual for enrolling individuals in cash and food assistance programs says that recipients must report to their caseworker any changes in their immigration status within ten days.

[32] There are at least two reasons why the annual number of refugees who are new arrivals to Minnesota from abroad may understate the actual number of persons in a given year whose current official immigration classification is "refugee." First, refugees are required by federal law to apply for a different immigration status ("lawful permanent resident") after one year in the U.S., so individuals generally maintain the status of "refugee" for more than 12 months while waiting to find out whether their application for a new status has been approved. It is currently taking more than one year for federal officials in the Twin Cities field office to process an application for "lawful permanent resident" status. Second, an indeterminate number of persons with an official immigration status of "refugee" move to Minnesota from other states, rather than from abroad.

[33] DHS has acknowledged this limitation of its analysis. In notes accompanying the analysis, a DHS staff person said: "The MAXIS refugee immigration status code is of course central to the determination of eligibility for cash, food, and medical programs. But reliability of the field as time goes on is suspect as the eligibility consequences of inaccurate immigration status lessen. For example, if a person who initially applies for MA as a refugee becomes a US citizen, or becomes a legal long-term non-citizen resident, and the Eligibility Worker does not update the person's immigration status on a continuing MA case, the person's on-going MA eligibility is not necessarily in error as long as he/she meets other eligibility criteria."

This illustrates the challenge of estimating the cost of providing cash, food, or medical assistance to refugees. Accurate cost estimates of assistance to *current refugees* require reliable data regarding individuals' current immigration statuses. As indicated above, there is reason to question the accuracy of DHS's data on immigration status.

Also, as noted earlier, it would also be challenging to accurately estimate the cost of assistance to persons who have *ever been refugees*. DHS could estimate the current costs of public assistance provided to all individuals whose DHS records show that they were refugees at some time past or present. However, DHS's records would not include some former refugees, such as persons who moved to Minnesota from other states after they had already become lawful permanent residents.

Mental Health and Substance Abuse Services

Refugees often arrive in the U.S. after experiencing difficult transitions. Many have been forced to leave their home countries, have seen family members and friends harmed, and have lived in refugee camps while awaiting relocation. They may arrive in the U.S. with limited financial resources, English skills, and knowledge about the culture into which they have been placed.

In 1989, the Legislature passed a law that required DHS to establish a "social adjustment services" grant program for refugees. The law was intended to help refugees in Minnesota "who experience depression, emotional stress, and personal crises resulting from past trauma and refugee camp experiences."[34] It required grant recipients to have experience providing bilingual services to refugees, and the services provided through the grants could include psychiatric assessment, chemical therapy, counseling, support groups, information and referral, crisis intervention, and aftercare. This requirement remains in state statutes today.

DHS does not operate a "social adjustment services" grant program for refugees mandated by law, and the cost of providing these services through other programs is unknown.

The law requires service providers to annually report to DHS on implementation of the social adjustment grants for refugees, including the number served, the average cost per refugee, and program outcomes. However, current DHS staff told us that there is not a separate grant program of this sort. Rather, they said that DHS relies on programs that do not have a specific focus on refugees to provide such services to the refugee population. Because DHS does not have a separate program focused on refugees, it has not collected or reported information on the extent to which the state's broader-based mental health and chemical dependency programs have served refugees (or the cost of these services).

Health Services

The Minnesota Department of Health (MDH) administers statewide health screening, promotion, and education for refugees. As of late 2017, MDH had 5.3 full-time-equivalent

[34] *Laws of Minnesota* 1989, chapter 282, art. 5, sec. 22, as codified in *Minnesota Statutes* 2017, 256.484. This legislation referenced an appropriation that DHS received for this program, although the appropriation did not appear in the legislation as a separate line item.

staff positions in the agency's refugee health program. We discuss refugee health services as a human services activity because it is conducted partly through a contract with (and funding from) the Minnesota Department of Human Services.

All refugees coming to the U.S. receive an overseas medical examination before arriving in the U.S. These exams are overseen by the U.S. Centers for Disease Control, and they focus largely on identifying communicable diseases.

When refugees arrive in Minnesota from overseas, they are not subject to a federal or state requirement for additional health screening. However, MDH strongly encourages refugees' case managers and county public health departments to arrange for a health screening within 90 days of arrival. MDH has specified the desired components of these examinations, which are more comprehensive than those given to refugees overseas.[35] MDH staff told us these examinations are based on guidelines from federal agencies (the U.S. Centers for Disease Control and the Office of Refugee Resettlement). Typically Medical Assistance pays for the cost of these examinations. According to MDH, 99 percent of refugees from overseas who arrived in Minnesota in 2016 and were eligible for screening were, in fact, screened.

The budget of MDH's refugee health unit totaled about $1.6 million in Fiscal Year 2017, which included its administrative expenditures and the grants it made to others. Half of the unit's revenues came from competitive grants from the U.S. Centers for Disease Control; about one-third of its revenues came from other federal funds (either directly from the federal Office of Refugee Resettlement or via the Minnesota DHS Resettlement Programs Office); the remainder was state funding for grants to county public health agencies for the purpose of eliminating health disparities among nonwhite populations.[36]

In Fiscal Year 2017, the Minnesota Department of Health provided a total of $80,000 in federal funding (from its DHS grant for refugee health services) to six counties.[37] The purpose of this funding was to offset the administrative costs of screening in counties that have had substantial numbers of refugees.

National Research

There has been considerable academic research regarding the economic and social outcomes of immigrants, as a broad group.[38] There has been much less research about the outcomes of the subset of immigrants who are refugees. The limited information on refugees reflects the lack of refugee identifiers in demographic data, the small number of refugees in surveys specifically focused on immigrants, and the inability of researchers to access certain not-public data on refugees collected by the federal government. Research

[35] Refugee health screening includes a review of health history, a physical examination (including vision, hearing, and dental assessments), and a mental health assessment. Refugees are screened to see if vaccinations are up-to-date, and they are screened for tuberculosis, hepatitis B, sexually transmitted infections, parasites, and malaria. In addition, children's lead levels are also checked.

[36] MDH's state funding came from the "Eliminating Health Disparities" program established in *Minnesota Statutes* 2017, 145.928.

[37] These counties were Anoka, Hennepin, Kandiyohi, Olmsted, Ramsey, and Stearns.

[38] Perhaps the most ambitious effort is a recent report from the National Academy of Sciences. Francine Blau and Christopher Mackie, eds., *The Economic and Fiscal Consequences of Immigration* (Washington, DC: The National Academies Press, 2017).

on refugees "tends to concern very specific populations, uses very small samples, relies on data from a small number of countries with high refugee totals, or focuses on very short-term outcomes."[39]

A recent report by the National Bureau of Economic Research provided perhaps the most definitive estimate to date of refugee-related fiscal impacts. This study identified a sample of more than 19,000 individuals in the U.S. Census Bureau's American Community Survey who were *likely* refugees, although this could not be determined with certainty.[40] The researchers used national data to estimate the administrative costs associated with resettlement, along with federal payments for medical and social assistance. The American Community Survey provided information on the dollar amount of welfare, Supplemental Security Income, and Social Security provided to the individuals, and the analysts estimated expenditures for food stamps, Medicaid, and Medicare costs by applying certain assumptions to the individuals in the study. To estimate federal, state, and local tax revenues generated by refugees, the researchers used a tax model that considered 22 variables, such as state of residence, filing status, number of dependents, and income. The analysis estimated the fiscal impact only of refugees who came to the U.S. as adults. It concluded:

> At the start of their U.S. residency, refugees do extract high costs because of the direct costs of relocation and high welfare use. However, over time these costs decrease quickly, and our estimates show that over a twenty-year period, refugees pay [an average of] $21,000 more in taxes than they receive in benefits.[41]

This analysis focused on adults, so it did not include the cost of public education for refugee children. The researchers found that refugees who arrived in the U.S. under the age of 14 graduated from high school and college at the same rates as U.S.-born children. In contrast, refugees who arrived as older teens fared much poorer on these measures, perhaps due to language barriers and the fact that many arrived in the U.S. without parents. Because refugee children typically attained educational levels comparable to U.S.-born peers, the researchers treated them as a "separate economic entity" from adult refugees. The researchers said: "If the investment in the education of U.S.-born children results in an economic benefit to society in this calculation, then we would expect that the investment in the education of refugee children to result in a similar benefit."[42]

In our view, however, the exclusion of education costs from this analysis is a limitation worth noting. Although it may be true that most refugee children have realized educational successes, schools have borne additional costs in achieving this outcome. As noted earlier, Minnesota school districts with English Learners may implement special programming, such as English as a Second Language instruction, bilingual education, tutors, and interpreters.

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[39] William Evans and Daniel Fitzgerald, *The Economic and Social Outcomes of Refugees in the United States: Evidence from the ACS*, Working Paper 23498 (Cambridge, MA: National Bureau of Economic Research, June 2017), 3.

[40] The researchers determined likely refugees based on the individuals' year of migration to the U.S. and country of birth.

[41] Evans and Fitzgerald, *The Economic and Social Outcomes of Refugees in the United States: Evidence from the ACS*, 33.

[42] *Ibid*., 28.

Conclusion

This report has assessed the availability of data that could be used to estimate the fiscal impact of refugee resettlement in Minnesota. Overall, we found that some data are available for this purpose or could be accessed, but they have many limitations. Exhibit 2.3 shows the limited extent to which refugee-specific data on costs or revenues are collected in public agencies. Furthermore, it would be difficult to fully identify which Minnesota residents are currently—or once were—refugees. We doubt that a comprehensive, accurate picture of refugee-related fiscal impacts—both revenues and costs—could be readily assembled using existing data.

Public officials told us there is no compelling reason for them to obtain data on the immigration status of individuals using many public services (except for human services programs) or paying taxes. The Legislature could provide a reason by requiring, in law, that state and local agencies collect information that would facilitate future analyses of refugee-related fiscal impacts. However, such a mandate could have fiscal impacts of its own on the state and local agencies required to comply. Furthermore, some public agencies have expressed concern that asking about immigration status could discourage individuals from seeking services for which they are eligible.[43] Even the U.S. Census Bureau does not collect data on the immigration status of the individuals it surveys. We offer no recommendation for changes in state law that would require public agencies to inquire about individuals' immigration status.

Lacking comprehensive data, it might be possible to conduct more limited assessments of refugee fiscal impacts. For example, an analysis could focus only on refugees who have come to Minnesota from other countries, without trying to identify those who have moved to Minnesota from other states.[44] A limited analysis might focus on only certain costs (such as those for human services programs) and revenues (such as income taxes), and disregard data on costs and revenues that would be more difficult to obtain. An analysis could also focus only on refugees who arrived in the country in a specified time period, such as the past ten years, rather than trying to estimate impacts over refugees' full lives (and perhaps the lives of their children). In the end, however, it is unclear whether the findings of a limited-scope analysis would fairly represent the actual fiscal impacts of the full refugee population—and, for that reason, we offer no recommendation for such an analysis.

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[43] For example, the Minnesota Department of Education (MDE) has advised the following: "To determine whether or not a student meets the Title III definition of an immigrant child and youth, a school and/or district should not ask about a student, parent, guardian, or sponsor's citizenship or immigration status or date of entry into the United States. Such information has no bearing on whether or not the student meets the definition of immigrant child or youth for Title III purposes, and may create a chilling effect that could discourage students and families from enrolling in school." See MDE, *Student Support Data Collection, Immigrant Children and Youth, Identification User Guide*, http://education.state.mn.us/MDE/dse/datasub/StudentSupport, accessed January 2, 2018.

[44] DHS has identifying information on all "primary" refugees; it does not have complete information on "secondary" refugees.

Exhibit 2.3: Summary of Data Availability Related to Refugee Fiscal Impacts

Key Program Areas	Availability of Data Related to Refugee Costs or Revenues
Education	Refugees are not identified in the data.
Employment Services	Refugees are not identified in the data.
Health Screening	Aggregate data on state and county expenditures are available or could be estimated.
Housing Programs	Refugees are not identified in the data.
Human Services	Major programs—such as Medical Assistance and the Minnesota Family Investment Program—have records on the refugee status of individual recipients, but it is not necessarily up-to-date.
Public Safety	Refugees are not identified in the data.
Tax Revenues	Tax records do not identify which taxpayers are refugees. Could analyze refugees' tax revenues only if another agency's records identifying refugees were matched with tax agency records.
Other State, County, or City Services	Refugees are not identified in the data.

SOURCE: Office of the Legislative Auditor.


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Appendix: State Options for Administering Refugee Cash Assistance

States can choose one of three models for administering the federal Refugee Cash Assistance program, which provides payments to refugees for up to eight months after arrival in the U.S.

The most common approach is the **state-administered model**, in which a state agency receives refugee grants from the federal Office of Refugee Resettlement and plays the lead role in helping refugees get their cash assistance. According to the U.S. Department of Health and Human Services, 33 states plus the District of Columbia use a state-administered model.[1]

Twelve states follow the **"Wilson-Fish" Alternative Program model** (named after the sponsors of the authorizing legislation). In most of these states, the federal grantees are private, nonprofit organizations. The grantees in Wilson-Fish states are supposed to find ways to integrate services among resettlement agencies and other providers serving refugees. As described by one source:

> [Wilson-Fish] resettlement programs are distinguishable from state-administered programs on a number of funding grounds. First, [Wilson-Fish] states may choose to administer Temporary Assistance for Needy Families (TANF) benefits instead of [Refugee Cash Assistance] in cases where refugees may benefit. [Wilson-Fish] status often provides refugees all of their resettlement help from "one stop shop" agencies that administer cash assistance, case management, and employment services for refugees in one geographical location. Furthermore, [Wilson-Fish] programs creatively utilize cash incentives, like bonuses, that are tied directly to the achievement of the employment goals outlined in the refugee's self-sufficiency plan.[2]

The Wilson-Fish option also provides a way to administer refugee services in states where state agencies have decided not to participate in refugee programs. In nine Wilson-Fish states, the state agency has withdrawn fully or partly from operating the refugee program, so a private organization fulfills these duties.[3]

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[1] Administration for Children and Families, *Find Resources and Contacts in Your State*, https://www.acf.hhs.gov/orr/state-programs-annual-overview, accessed August 8, 2017.

[2] Niskanen Center, *Overview of Refugee Resettlement in the United States*, March 2017, https://niskanencenter.org/wp-content/uploads/2017/03/OverviewofRefugeeResettlementintheUnitedStatesPolicyBrief-1-1.pdf, accessed January 8, 2018.

[3] There has been total or partial state agency withdrawal of the program in Alabama, Alaska, Idaho, Kentucky, Louisiana, Nevada, North Dakota, South Dakota, and Tennessee.

Five states—including Minnesota—use a **public-private partnership model**.[4] In these states, a combination of public agencies and private agencies administer federal cash assistance. In Minnesota, the Department of Human Services contracts with private agencies to administer federal Refugee Cash Assistance in eight counties: Anoka, Carver, Dakota, Hennepin, Olmsted, Ramsey, Scott, and Washington. In the other 79 counties, county human services agencies administer the allocation of Refugee Cash Assistance to individuals.

[4] The other public-private partnership states are Maryland, Oklahoma, Oregon, and Texas.

DEPARTMENT OF HEALTH

February 14, 2018

Mr. James Nobles
Legislative Auditor
Centennial Office Building, Room 140
658 Cedar Street,
St. Paul, MN 55155

Dear Mr. Nobles:

Thank you for the opportunity to review and respond to your report "Special Review of the Fiscal Impact of Refugee Resettlement: an assessment of data availability." We appreciate the time your staff spent with us gathering substantive material to inform your review and the professionalism shown by you and your staff throughout the process.

We understand the importance of this review and found your assessment to be thorough. In addition, we agree with much of what the report concluded, with a few comments.
First, even though the report provides a definition of a refugee, we believe it is important to emphasize that persons with refugee status are individuals who have been forced to leave their home and country. Moreover, it should also be emphasized that on average, refugees stay in overseas refugee camps for 17 years https://www.state.gov/j/prm/policyissues/issues/protracted/ and in any given year less than one percent of the 22 million refugees ever resettle in countries like the U.S. The U.S. Refugee Resettlement program in most cases only admits refugees who are of special humanitarian concern to the U.S.

Next, as the report points out in the conclusion, assessing the fiscal impact of refugee resettlement is complex. It is extremely difficult to account for various tangible costs and benefits without being able to identify which Minnesota residents have refugee status (former or current). We agree with this general conclusion, but believe it is imperative that intangible assets such as human and social capital (health, education, skills, experience, resilience, community strength/support) be incorporated to evaluate the true impact of refugee resettlement on local communities and the state. This story, among many, illustrates the potential of persons with refugee status in our state: http://www.startribune.com/minneapolis-st-paul-transit-entrepreneur-tashitaa-tufaa-is-entrepreneur-of-the-year/209749511/.

Another example that has broad impact is the role foreign-born and foreign-trained health care professionals, some of whom enter the country with refugee status, play in providing healthcare in Minnesota. For example, we know that foreign-trained physicians already make up close to 20 percent of Minnesota's physician workforce, and that there is a large pool of 300-400 foreign-trained physicians in Minnesota with a desire to practice in Minnesota but who experience barriers. The MDH International Medical Graduate program supports them in navigating through

a complex set of requirements so that they can bring their skills to help Minnesotans in need of care throughout the state, including in underserved urban and rural areas. It is clear that, along with foreign-trained nurses, pharmacists, dentists and other professionals, they are making and will continue to make a substantial contribution to the health of our state.

In the report's conclusion, the auditor states, "lacking comprehensive data, it might be possible to conduct more limited assessments of refugee fiscal impact." The report then lists some possible examples for analyses, such as focusing on only certain costs and revenues or only focusing on those who arrived during a specified time period. From our extensive knowledge of and experience with people with refugee status, we believe that these analyses have severe limitations and biases. Since the population with refugee status is so diverse and has been coming to Minnesota over many decades, none of the examples fully represents all current and former refugee communities in Minnesota. With the inability to capture all necessary fiscal and economic factors, the proposed assessments would most likely provide misleading negative results.

As a state agency, we hold ourselves accountable to be judicious with public funds. As the report indicates on pages eight and nine, cities and counties are allocating minimal funds to administer and coordinate the health screenings that help to prepare newly arrived refugees for school and employment. We have forged strong partnerships with local health departments, refugee resettlement agencies, public and private clinics to coordinate robust refugee health screening programs across the state at minimal cost.

Minnesota has a long history of welcoming and treating refugees with compassion and respect. In turn, these refugees have helped grow Minnesota's economy. The various federal and state policies and programs in place for these refugees help us maximize every individual's health, skills, and energy to build our state's economy leading to shared prosperity.

Again, we appreciate the time your staff spent with us to gather the information and thank you for your work in conducting this assessment.

Sincerely,

Jan Malcolm
Commissioner
P.O. Box 64975
St. Paul, MN 55164-0975


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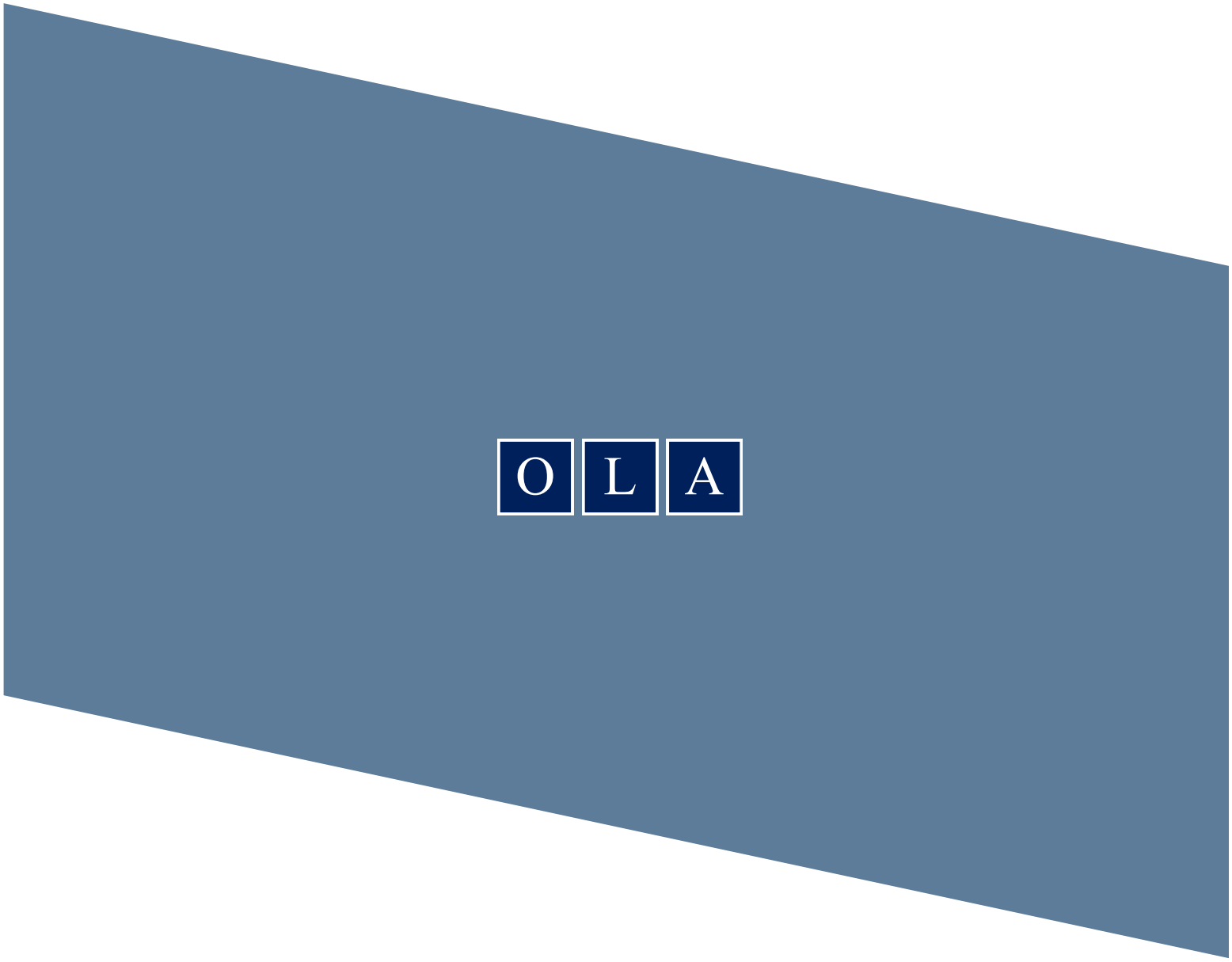

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