

## Discussion Points for Immigration Reform

Immigration reform would require making changes to the Immigration and Naturalization Act that currently provides for an annual worldwide limit of 675,000 permanent immigrants, with some exceptions for close family members. This number does not include refugee admissions that are authorized by Congress and the President.

**Economics of immigration:** The New York Times, The Center for Immigration Studies (a conservative think-tank), various researchers, and President G. W. Bush's Council on Economic Advisers, have all agreed that on average, the long-run impact on public budgets of legalizing current illegal immigrants is likely to be positive. Legalizing 11MM immigrants would add roughly 1 percent to GDP (\$1.5 T) over a period of 10 years. Conversely, expelling 11MM immigrants would cost double that over the same 10 years. These figures do not include the positive impact of additional legal immigrants over that decade.

### Current Policy

Immigration to the U.S. is based on four primary principles--the reunification of families, admitting those with skills that are valuable to the U.S. economy, protecting refugees from harm, and promoting diversity. The four corresponding categories are: Employment based immigration, family based immigration, refugees and those seeking asylum, and the diversity visa program. We are going to focus on the first.

**Employment-Based Immigration:** The U.S. provides various ways for immigrants with valuable skills to come in on either a permanent or temporary basis. Permanent employment-based immigration is set at a rate of 140,000 visas per year. There are more than 20 types of visas for temporary non-immigrant workers and most of these visas are based on sponsorship by specific employers for specific jobs, with numerical limits for different professions.

The best known of these programs is the H-1B Visa Program which was created to connect highly skilled global workers (with science, technology, engineering, and math skills) with U.S. employers. Research shows that H-1B visa immigrants contributed 10%- 20% of the annual productivity growth in the U.S. from 1990 to 2010, boosted GDP per capita by 4%, increased the size of the economy by \$615B in 2010, had no negative impact on U.S.-born workers with similar skills, and actually boosted compensation for and overall employment of American-born scientists and engineers.

On the other hand, some studies suggest that undocumented workers have lowered the wages of U.S. adults without a high-school diploma. Some fear that an influx of documented low skilled workers would depress wages for similarly skilled US citizens. However, President Bush's Council of Economic Advisers concluded in 2007, "The difficulties faced by high school dropouts are a serious policy concern, but it is safe to conclude that immigration is not a central cause of those difficulties, nor is reducing immigration a well-targeted way to help these low-wage natives." Walmart issued a statement supporting immigration reform noting it would grow and strengthen our economy and the American workforce. Recently, a coalition of Texas business organizations joined in a non-partisan effort to loosen restrictions on low skilled immigrants who could fill entry-level jobs in the hotel, restaurant and construction trades, because there are not enough native applicants to fill these positions in Texas.

The Immigration and Nationality Act of 1952 set out a complex and confusing set of laws that determine qualifications for naturalization, managing the programs listed above, and regulating student visas and temporary work visas. Quotas were last adjusted in 1990. In 1986, Congress legalized approximately three million unauthorized immigrants in exchange for requiring all workers to establish their eligibility for employment in the U.S. Since that time there has been a continual influx of undocumented, illegal aliens (primarily from Mexico and Central America). In 1996, Congress initiated an illegal immigrant removal process of mandatory detention and deportation. By 2001, conversations were taking place between President George W. Bush and Mexican President Vicente Fox to create a temporary “guest” worker program, but talks were abandoned after September 11<sup>th</sup> because of concerns about border security. Bipartisan efforts began in 2004 to develop a comprehensive immigration reform act, but these attempts have failed because of political differences on the content of reform legislation. Meanwhile, a number of states have attempted to criminalize illegal immigration and to take steps to prevent the illegal crossing of the international border into their states.

**The Need for Immigration Reform-** Today there are an estimated 8-11 million unauthorized aliens living in the United States, most here for economic reasons working for companies that depend on low-skill, low-paid workers. Some of these “unauthorized workers” do not want to become naturalized U.S. citizens because they hope to return to their homeland when they achieve some level of economic security. Many of the illegal immigrants have been slow to learn to speak English or to become acculturated into U.S. society primarily because of their fear of being reported and/or a desire to keep their cultural heritage alive for their families. Meanwhile, state and local governments, school districts, and health providers all feel the burden of providing educational, medical, public safety and social services for the undocumented, illegal residents in our communities who may not be contributing their full share to the tax base that supports these services.

Most of the proposals for developing a pathway to citizenship for unauthorized immigrants contain provisions for those seeking legal status to make a commitment to the U.S. via some combination of initial registration, a willingness to learn English, gainful employment, the full payment of outstanding taxes from employment, etc. The current debate about revising immigration reform legislation revolves around a competing set of issues and concerns:

- Granting amnesty to unauthorized, undocumented immigrant workers who have lived in the U.S. for some period of time, have a limited criminal record, have a job, etc. vs. Requiring unauthorized, undocumented immigrants to apply for a pathway to citizenship in a transitional status, demonstrate they can meet the language and employment/tax requirements, have no criminal record, qualify under categories like the Dream Act or Agjobs, etc.
- Penalties for employers who hire illegal, undocumented workers.
- Enhancements to national security and public safety via required government registration for services (SSI, drivers license, passports, etc.) vs. securing our national borders by building more walls/fences, adding more border patrols, equipment and technology, limiting the annual number of legal entries, having stricter legal prosecution of illegal entries, etc.
- A special guest worker status for those who are seeking the economic benefits of being in the U.S., with provisions for paying taxes on employment, health care, etc.

## Summary

If an immigration reform bill is passed (chances of such this year are estimated at 35% by one pro-reform Republican and more likely in 2017 after the mid-term elections), it will likely resemble Speaker John Boehner's principles for reform that include a 100% verifiably secure border, biometrics to track comers and goers, and a digitized system for employers to check the immigration status of workers. It will permit the allocation of visas to suit the demands of American firms and may allow most of the 1.5M Dreamers to become citizens. It may not address the biggest problem: what to do about America's 11M illegals, 2/3 of whom have lived in the U.S. for more than a decade. At best it would remove the threat of deportation for those who pay back taxes, display English proficiency, and pass a background check.

## Immigration Factoids:

- H-1B visa immigrants contributed 10%- 20% of the annual productivity growth in the U.S. from 1990 to 2010
- 25% of technology-based start-up companies (1995-2005) had a foreign-born CEO or chief technologist
- Undocumented workers contribute \$15B to Social Security via payroll taxes while taking out only \$1B in benefits
- The Department of Homeland Security/Obama Administration is deporting record numbers of illegal immigrants (370K last year.)
- 22% of all deportees have legal offspring living in the U.S.
- The CBO estimates that enactment of the Dream Act will cut the deficit by \$1.4B and increase government revenues by \$2.3B over the next ten years.
- Texas is one of 12 states that allow undocumented immigrants who graduate high school in Texas to pay in-state tuition to college.

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