

MANDATORY E-VERIFY

Too Costly for Employers, Workers, and Taxpayers

JUNE 2015

Legislation to mandate the use of E-Verify by every employer in the U.S. has frequently been proposed as a magic bullet to fix our nation's broken immigration system. Whether as an amendment to pending legislation, such as the National Defense Authorization Act (S. 1376), or as a standalone bill, such as the Legal Workforce Act (H.R. 1147) or the Accountability through Electronic Verification Act (S. 1032), such proposals mandate the use of E-Verify, while providing no path to U.S. citizenship for the 11 million undocumented people living in our communities. Unfortunately, such proposals are expensive nonsolutions that would hurt employers, increase unemployment, and harm our economy—without fixing our immigration system.

Mandatory E-Verify is too costly for employers.

- The Congressional Budget Office (CBO) found that the Legal Workforce Act, as introduced in the last legislative session, would cost private sector employers over **\$600 million** over three years.¹ Employers *should* be able to use this money to grow their businesses, hire workers, and help build our economy—*not* to pay costs imposed by a flawed enforcement program.
- According to Bloomberg's analysis, requiring all employers to use E-Verify could cost small businesses **\$2.6 billion**.² Bloomberg estimates that small business owners who used E-Verify in fiscal year 2010 had to spend **\$81 million** on it.³
- Requiring employers to use E-Verify will **devastate agricultural employers**, which is why the American Farm Bureau Federation is on record as opposing a standalone E-Verify mandate. Over half of the U.S. agricultural labor force is unauthorized.⁴ The U.S. Department of Agriculture reports that for every on-farm job there are about 3.1 "upstream" and "downstream" jobs in the U.S., the vast majority of which are held by U.S. workers.⁵ For every undocumented farm worker who loses his or her job, three American jobs are lost.

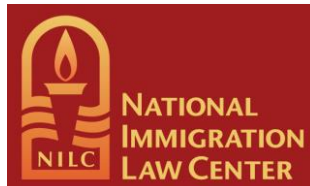
The **\$1 billion** that would have to be spent to implement the E-Verify nonsolution *would be better spent*

- providing **341,296,928** free *meals* to school children
- helping build **26,411** units for low-income *housing*
- helping *keep* **3,412,969** low-income *families warm*
- providing three months of *counseling* to **1,000,000** *abused children*

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Mandatory E-Verify puts workers' jobs at risk.

- Simply put, **E-Verify errors will cost people their jobs**. If a national E-Verify mandate became law, approximately 170,000 to 450,000 U.S. citizens, lawful permanent residents, and work-authorized noncitizens would either have to contact a government agency to correct an E-Verify-related error or risk losing their jobs.⁶
- When workers are notified that the information they've provided doesn't match the information in E-Verify's databases, they face significant burdens trying to correct their records. A government-commissioned study found that **almost half** of such workers **lost partial or complete days of work**, and **14 percent lost more than two days of work**.⁷ Many such workers must make multiple trips to a Social Security Administration (SSA) office and wait in long lines to correct their records.⁸

Mandatory E-Verify is too expensive for taxpayers.

- The Bipartisan Policy Center (BPC) recently found that enactment of a standalone E-Verify mandate would increase the national budget deficit by **\$40 billion** in the first decade of implementation and by **\$110 billion** over a twenty-year period.⁹ Such a mandate would also result in a 1.5 percent decrease in the Gross Domestic Product (GDP) over the same time period.¹⁰ These findings led the BPC to conclude that an "enforcement only approach to immigration reform using E-Verify would limit growth and increase deficits."¹¹
- The BPC's conclusion that an E-Verify mandate would significantly increase our national debt accords with the CBO's findings. According to the CBO, enacting the Legal Workforce Act would increase federal budget deficits by **\$30 billion**¹² over ten years and cost the federal government—and U.S. taxpayers—over \$1 billion to implement.¹³
- The \$1 billion that would have to be spent to implement E-Verify would be better spent:
 - providing **341,296,928** free **meals** to school children¹⁴
 - helping build **26,411** units for low-income **housing**¹⁵
 - helping **keep 3,412,969** low-income **families warm**¹⁶
 - providing three months of **counseling to 1,000,000** **abused children**¹⁷

IN SHORT, STANDALONE E-VERIFY MANDATES are too costly for U.S. employers, workers, and taxpayers. Instead of expensive proposals that would make our broken immigration system worse, Congress should offer real solutions, including commonsense immigration reform that provides a road to citizenship for the 11 million aspiring Americans in our communities.

FOR MORE INFORMATION, CONTACT

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¹ Congressional Budget Office Cost Estimate: H.R. 1772: Legal Workforce Act (Congressional Budget Office, Dec. 17, 2013), <http://cbo.gov/sites/default/files/cbofiles/attachments/hr1772.pdf>, p. 7.

² Jason Arvelo, “Insight: ‘Free’ E-Verify May Cost Small Businesses \$2.6 Billion,” *Bloomberg*, Jan. 28, 2011.

³ *Id.* Employers have to spend money on E-Verify training and staff time. According to Bloomberg, “Small businesses estimated they spent a total of \$36 million on E-Verify in fiscal 2008,” which “equates to \$81 million in fiscal 2010, adjusting for inflation and usage that more than doubled in those two years.” *Id.*

⁴ See “Who Are Farmworkers?,” www.splcenter.org/sexual-violence-against-farmworkers-a-guidebook-for-criminal-justice-professionals/who-are-farmworkers, a section of *Sexual Violence Against Farmworkers: A Guidebook for Criminal Justice Professionals* (Southern Poverty Law Center, April 2010), www.splcenter.org/get-informed/publications/sexual-violence-against-farmworkers-a-guidebook-for-criminal-justice-professionals.

⁵ Dan Griswold, *ICE Worksite Enforcement – Up to the Job?: Testimony Before the Subcommittee on Immigration Policy and Enforcement, Committee on the Judiciary, U.S. House of Representatives* (Cato Institute, Jan. 26, 2011), www.cato.org/pub_display.php?pub_id=12730.

⁶ While the current E-Verify program permits participating employers, in most circumstances, to use E-Verify only for newly hired employees, many E-Verify proposals in Congress, such as the Legal Workforce Act, would also allow employers to reverify the work authorization of their current workforce using E-Verify. Over the 12 months ending in November 2014, total U.S. hires were 57.6 million. See “Job Openings and Labor Turnover—November 2014,” a Bureau of Labor Statistics News Release, www.bls.gov/news.release/jolts.nro.htm. The most recent government study of E-Verify found that 0.3 percent of workers were erroneously issued an initial system mismatch. *Evaluation of the Accuracy of E-Verify Findings* (Westat, 2012), www.uscis.gov/sites/default/files/USCIS/Verification/E-Verify/E-Verify_Native_Documents/EVerify%20Studies/Evaluation%20of%20the%20Accuracy%20of%20EVerify%20Findings.pdf, pp. x, 23. 57.6 million multiplied by 0.3 percent equals 172,800 (about 170,000) workers who would experience an initial mismatch. Because proposals such as the Legal Workforce Act allow employers to reverify all workers, this could result in E-Verify being applied to the entire workforce. As of December 2014, the U.S. workforce was 147,190,000. See “Table A-1: Employment Status of the Civilian Population by Sex and Age” (Bureau of Labor Statistics, U.S. Dept. of Labor, Jan. 9, 2015), www.bls.gov/news.release/empsit.t01.htm. 147,190,000 multiplied by 0.3 percent is 441,570 (about 450,000) workers who would receive an initial system mismatch if E-Verify were used on the entire workforce.

⁷ Letter to Rep. John Conyers, Chair, Committee on the Judiciary, U.S. House of Representatives, from Peter Orszag, Director, Congressional Budget Office, Apr. 4, 2008. The letter provides a cost estimate for H.R. 4088, the Secure America Through Verification and Enforcement Act of 2007.

⁸ *Id.*

⁹ Matt Graham, Joel Prakken, Theresa Cardinal Brown, and Lazaro Zamora, *Assembling the Pieces: The Economics of Step-by-Step Immigration Reform* (Bipartisan Policy Center, May 2015), <http://bipartisanpolicy.org/library/assembling-the-pieces-the-economics-of-step-by-step-immigration-reform/>, p. 27.

¹⁰ *Id.* at 25.

¹¹ *Id.* at 6.

¹² Congressional Budget Office Cost Estimate: H.R. 1772: Legal Workforce Act, *supra* note 2, p. 1.

¹³ *Id.*

¹⁴ The costs of E-Verify, both in terms of increases to federal deficits and implementation, are calculated by the CBO over a 10-year period. To achieve the 341,296,928 estimate, NILC used 2014–2015 data provided by the National School Lunch Program. The National School Lunch Program reimburses schools \$2.93 per free

lunch they provide. *National School Lunch Program* (Food and Nutrition Service, U.S. Dept. of Agriculture, March 2015), www.fns.usda.gov/nslp/national-school-lunch-program-nslp, p. 2.

¹⁵ The costs of E-Verify, both in terms of increases to federal deficits and implementation, are calculated by the CBO over a 10-year period. To achieve the 26,411 estimate, NILC used the tax credit allocated to build each low-income unit: \$37,863. Jean L. Cummings and Denise DiPasquale, *Building Affordable Rental Housing: An Analysis of the Low-Income Housing Tax Credit* (City Research, Feb. 1998), www.cityresearch.com/lihtc/cr_lihtc.pdf, p. 9.

¹⁶ The costs of E-Verify, both in terms of increases to federal deficits and implementation, are calculated by the CBO over a 10-year period. The 3,412,969 estimate was calculated based on the national average heating benefit received by a low-income family in fiscal year 2008 to help offset heating costs. That average heating benefit was \$293. See Libby Perl, *LIHEAP: Program and Funding* (Congressional Research Service, July 18, 2013), <http://neada.org/wp-content/uploads/2013/08/CRSLIHEAPProgramRL318651.pdf>, p. 7.

¹⁷ The costs of E-Verify, both in terms of increases to federal deficits and implementation, are calculated by the CBO over a 10-year period. The 1,000,000 estimate was calculated based on the fact that three months of counseling costs \$1,000. See Child Abuse Prevention Association, <http://capacares.org/get-involved/donate/>.