

IMMIGRATION IN THE NATIONAL INTEREST ACT OF 1995;
TEMPORARY AGRICULTURAL WORKER AMENDMENTS OF
1996

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MARCH 21, 1996.—Ordered to be printed
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Mr. ROBERTS, from the Committee on Agriculture,
submitted the following

SUPPLEMENTAL REPORT

[To accompany H.R. 2202]

This supplemental report contains the Congressional Budget Office cost estimate on H.R. 2202, as amended by the Committee on Agriculture, that adds a new subtitle B to title VIII, the Temporary Agricultural Worker Amendments of 1996, and relevant conforming amendment thereto.

The Congressional Budget Office cost estimate was not available to be included in the report submitted by the Committee on Agriculture on March 8, 1996 (H. Rept. 104-469, Part 3), recommending passage of the bill, as amended, by the House.

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, March 18, 1996.

Hon. PAT ROBERTS,
*Chairman, Committee on Agriculture,
House of Representatives, Washington, DC.*

DEAR MR. CHAIRMAN. The Congressional Budget Office has prepared the enclosed intergovernmental mandates cost estimate for the amendment of the Committee on Agriculture to H.R. 2202, the Temporary Agricultural Worker Amendments of 1996.

This bill would impose intergovernmental mandates, as defined in Public Law 104-4, but would impose no private sector mandates.

The bill would affect revenues and direct spending of the federal government, and estimates of those effects have previously been provided to the committee.

If you wish further details on this estimate, we will be pleased to provide them.

Sincerely,

JUNE E. O'NEILL, *Director*.

CONGRESSIONAL BUDGET OFFICE ESTIMATED COST OF
INTERGOVERNMENTAL MANDATES

1. Bill number: Amendment of the Committee on Agriculture to H.R. 2202

2. Bill title: Temporary Agricultural Worker Amendments of 1996

3. Bill status: As ordered reported by the House Committee on Agriculture on March 8, 1996.

4. Bill purpose: The Temporary Agricultural Worker Amendments of 1996 would create a temporary agricultural worker classification designated H-2B (in reference to its subsection designation in title 8) and establish requirements for employers who wish to hire aliens under that provision.

5. Intergovernmental mandates contained in bill: The amendments would require state employment security agencies (SESAs) to review affidavits filed by the prospective employers, maintain files of those documents for a limited period of time, and provide employers with proof of filing.

6. Estimated direct costs to State, local, and tribal governments: (a) Is the \$50 Million Threshold Exceeded? No. (b) Total Direct Costs of Mandates: CBO estimates that these mandates would impose minimal direct cost on state, local, and tribal governments. (c) Estimate of Necessary Budget Authority: Not applicable.

7. Basis of estimate: This estimate is based on information provided by state employment security officials in the states likely to be significantly affected by this legislation. CBO anticipates that between 25,000 and 100,000 workers would participate in the H-2B program each year.

We expect that most affidavits filed by employers would cover more than one alien employee and that the average cost of processing and filing each affidavit would be between \$15 and \$20. We therefore estimate that the direct costs of implementing these requirements would total less than \$500,000 annually. Furthermore, because SESAs currently review and file similar documents under other alien worker classification provisions, existing procedures could be used to fulfill the requirements of this amendment, thereby minimizing additional costs.

Finally, the costs of SESAs are financed with federal funds through the Department of Labor. Therefore, we expect that any additional responsibilities would ultimately be funded by the federal government.

8. Appropriation or other federal financial assistance provided in bill to cover mandate costs: None.

9. Other impacts on State, local, and tribal governments: None.

10. Previous CBO estimate: None.

11. Estimate prepared by: Leo Lex.

12. Estimate approved by:

ROBERT A. SUNSHINE
 (For Paul N. Van deWater,
 Assistant Director for Budget Analysis).
 U.S. CONGRESS,
 CONGRESSIONAL BUDGET OFFICE,
 Washington, DC, March 21, 1996.

Hon. PAT ROBERTS,
 Chairman, Committee on Agriculture,
 House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN. The Congressional Budget Office has reviewed H.R. 2202, the Immigration in the National Interest Act of 1995, as reported by the House Committee on Agriculture on March 8, 1996. The Agriculture Committee added to title VIII of the bill a subtitle B, which would establish a new nonimmigrant category for temporary agricultural workers. This new program, called the H-2B program, would be authorized through 1999 and would be limited to no more than 250,000 workers in the first year and smaller numbers in subsequent years.

Attached is a table summarizing the estimated spending and revenue effects of the Agriculture Committee's version of H.R. 2202. The Agriculture Committee's amendment would affect the federal budget in three ways: (1) The government would receive additional revenues totaling about \$94 million over the 1997-2000 period because employers of H-2B aliens would have to pay an amount equivalent to the federal tax that employers are obligated to pay under the Federal Unemployment Tax Act (FUTA) and the Federal Insurance Contributions Act (FICA). These payments would total 8.45 percent of taxable earnings.

(2) The government would spend about \$67 million on administrative expenses to operate the H-2B program and on emergency medical services provided to H-2B aliens.

(3) The government would lose about \$117 million in revenues over the 1997-2000 period because the H-2B aliens would displace illegal aliens whose wages would be subject to FUTA and FICA taxes. About \$90 million of the loss applies to Social Security taxes that are recorded as off-budget receipts.

In aggregate, therefore, CBO estimates that creating the new nonimmigrant category would result in a loss of revenue of \$23 million and an increase in direct spending of \$67 million over the 1996-2000 period.

CBO prepared an intergovernmental mandate statement for this legislation on March 18, 1996. The bill would impose no private sector mandates as defined in Public Law 104-4.

If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contacts are Mark Grabowicz, and, for revenues, Peter Ricov.

Sincerely,

JUNE E. O'NEILL, *Director*.

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ESTIMATED FEDERAL BUDGETARY IMPACT OF H.R. 2202, AS AMENDED BY THE HOUSE COMMITTEE ON AGRICULTURE

[By fiscal year, in millions of dollars]

	1996	1997	1998	1999	2000	2001	2002
SPENDING SUBJECT TO APPROPRIATIONS ACTION							
Authorizations:							
Estimated Authorizations Level	129	699	774	856	960	978	996
Estimated Outlays	0	532	637	940	994	956	976
MANDATORY SPENDING AND RECEIPTS							
Revenues:							
New Criminal Fines and Forfeiture	0	(¹)					
Temporary Agricultural Workers (Off-Budget)	0	-10	-22	-48	-10	0	0
Temporary Agricultural Workers (On-Budget)	0	9	16	33	9	0	0
Earned Income Tax Credit	0	14	13	12	13	13	13
Change in Revenues	0	13	7	-3	12	13	13
(Off-Budget)	0	-10	-22	-48	-10	0	0
(On-Budget)	0	23	29	45	22	13	13
Direct Spending:							
New Criminal Fines and Forfeiture	0	(¹)					
Immigration Enforcement Account	0	(¹)					
Supplemental Security Income ..	0	-10	-80	-160	-260	-370	-670
Food Stamps	0	0	-15	-45	-100	-170	-250
Family Support	0	-1	-13	-23	-48	-63	-78
Medicaid	0	-5	-110	-240	-390	-570	-830
Federal Employee Retirement ...	0	2	4	2	0	0	0
Temporary Agricultural Workers	0	10	19	36	2	0	0
Earned Income Tax Credit	0	-216	-214	-218	-222	-224	-229
Change in Direct Spending Outlays	0	-220	-409	-648	-1,018	-1,397	-2,057

¹ Less than \$500,000.