

TALKING POINTS

Oppose State and Local Proposals to Make Basic Pilot/E-Verify Mandatory

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- **Workers and businesses pay a high price for Basic Pilot/E-Verify database errors.** The U.S. Dept. of Homeland Security (DHS) interviewed employers in Arizona (where use of E-Verify is mandatory as of 2008) and found the concern most frequently identified is that the E-Verify databases often cannot confirm the employment eligibility of work-authorized individuals. Nationally, the Social Security Administration (SSA) estimates that if E-Verify were to become mandatory, SSA database errors alone could result in 3.6 million workers a year being misidentified as not authorized for employment.
- **Mandatory participation in Basic Pilot/E-Verify would impose exorbitant costs at a time when state economies are most vulnerable.** The *Arizona Republic* reported that the 2008 state law requiring businesses to use E-Verify has resulted in workers and businesses moving off the books into the cash economy. This is depriving the state of income-tax revenue at the same time the state is facing a \$1.6 billion budget gap. Nationally, the Congressional Budget Office estimates that mandatory participation in Basic Pilot/E-Verify would decrease Social Security Trust Fund revenue by more than \$22 billion over ten years because it would increase the number of employers and workers who resort to the black market, outside of the tax system. With state budget shortfalls at more than \$350 billion, state and local lawmakers cannot afford to implement ineffective policies.
- **Qualified workers won't have a chance to prove that they are authorized to work.** U.S. citizen Abel Pacheco went to look for a job in Arizona when he lost his job as a truck driver. He applied with eight different companies, but couldn't figure out why no one called him back with a job offer. When he finally found work, his new employer notified him that E-Verify couldn't confirm his work eligibility, which turned out to be due to an error in SSA's database. Pacheco cleared up the problem, but those few weeks of lost income had a serious financial impact on his family. A DHS study found that, nationally, 9.4 percent of employers do not notify workers of E-Verify database errors and 7 percent who notify workers do not encourage them to contest the error because, they said, the process of contesting the notice takes too much time.
- **Mandatory participation in Basic Pilot/E-Verify would further increase the cost of doing business in a tough economic climate.** According to a manager of a small business in Maryland, it takes seriously its legal obligation to confirm its employees are eligible to work in the U.S. but has not enrolled in E-Verify because it does not have the luxury of a large human resources department and the costs for one year would total approximately \$27,000. An economic analysis commissioned by the U.S. Chamber of Commerce concluded that requiring federal contractors to use E-Verify would be \$10 billion a year. Small businesses employ approximately half of the entire U.S. workforce and have generated 60 to 80 percent of net new jobs annually over the last decade. These businesses, already struggling in the current economy, will face additional burdens and unanticipated problems if they are required to use E-Verify, potentially harming their ability to create new jobs and revenue.

FOR MORE INFORMATION, CONTACT

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* For more information, see "Why States and Localities Should Not Require Employer Participation in Basic Pilot/E-Verify" (NILC, Feb. 2009), www.nilc.org/immsemplymnt/state_local/basicpilot-stateslocalities-2009-02-12.pdf.



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