



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

November 29, 2001

H.R. 3030 **Basic Pilot Extension Act of 2001**

As ordered reported by the House Committee on the Judiciary on November 15, 2001

CBO estimates that implementing H.R. 3030 would cost about \$1 million in each of fiscal years 2002 and 2003 and less than \$500,000 annually over the 2004-2005 period, assuming the availability of appropriations. The bill would not affect direct spending or receipts, so pay-as-you-go procedures would not apply. H.R. 3030 would impose a private-sector mandate, as defined by the Unfunded Mandates Reform Act (UMRA), but CBO estimates that the direct cost of the mandate would fall well below the annual threshold established by UMRA (\$113 million in 2001, adjusted annually for inflation). The bill contains no intergovernmental mandates as defined in UMRA and would impose no costs on state, local, or tribal governments.

The Illegal Immigration Reform and Immigrant Responsibility Act of 1996 directed the Immigration and Naturalization Service (INS) and the Social Security Administration (SSA) to establish three pilot programs, each lasting four years, to assist employers in confirming the eligibility of prospective employees to work in the United States. The programs provide employers with software, training, and access to INS and SSA databases to determine work eligibility. The major pilot program started in 1997 and will end in 2001, while the two other programs began in 1999 and will terminate in 2003. H.R. 3030 would extend the length of each program by two years.

According to the INS and the SSA, the agencies spend a total of about \$1 million annually to operate the programs. Implementing H.R. 3030 would extend the major pilot program through the end of fiscal year 2003 and would extend the other two programs until the middle of fiscal year 2005. Based on information from the two agencies, CBO estimates that the bill would cost about \$1 million annually in 2002 and 2003, and less than \$500,000 annually in 2004 and 2005, all from appropriated funds.

H.R. 3030 would impose a private-sector mandate by requiring certain employers to participate in the pilot programs. Participation in the programs is voluntary except for employers who have been found to have violated certain immigration laws. According to the INS, one company in Texas is required to participate in the pilot programs. Therefore, CBO

estimates that the direct cost, if any, to comply with the mandate would be minimal and would fall well below the annual threshold established by UMRA (\$113 million in 2001, adjusted annually for inflation).

The CBO staff contacts for this estimate are Mark Grabowicz (for federal costs), and Paige Piper/Bach (for impacts on the private sector). This estimate was approved by Robert A. Sunshine, Assistant Director for Budget Analysis.