CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE

December 3, 2007

H.R. 3079
Northern Mariana Islands Immigration, Security, and Labor Act

As ordered reported by the House Committee on Natural Resources on November 7, 2007

SUMMARY

H.R. 3079 would amend the current law that governs the relationship between the United States and the Commonwealth of the Northern Mariana Islands (CNMI), a territory of the United States, to reform the immigration laws of CNMI. In addition, the bill would provide Congressional representation for CNMI by creating a nonvoting delegate in the House of Representatives beginning in January 2009. CBO estimates that implementing H.R. 3079 would result in additional discretionary outlays of $10 million over the 2008-2012 period, assuming appropriation of the necessary amounts.

Enacting H.R. 3079 also would increase direct spending for payment of the salary of the new nonvoting delegate and the costs of associated benefits. CBO estimates that the increase in direct spending for Congressional salaries and benefits under H.R. 3079 would be about $200,000 in fiscal year 2009 and $2 million over the 2009-2017 period. H.R. 3079 also could affect revenues, but CBO estimates that any net changes in revenues would be insignificant in each year.

H.R. 3079 contains intergovernmental mandates, as defined in the Unfunded Mandates Reform Act (UMRA), because it would preempt the immigration laws of CNMI and require that government to comply with additional federal requirements. CBO estimates that the direct costs of those mandates would be small and would not exceed the threshold established in that act ($66 million in 2007, adjusted annually for inflation).

H.R. 3079 also would impose a private-sector mandate, as defined in UMRA, on employers in CNMI by restricting the number of permits issued to them for temporary alien workers. It also would impose private-sector mandates on some aliens lawfully residing or working in CNMI by requiring them to leave before the end of the term for which they were authorized to stay or work. Finally, the bill may impose additional private-sector mandates by giving the Secretary of Homeland Security authority to regulate immigration in CNMI.

CBO cannot determine whether the aggregate cost of those mandates would exceed the annual threshold established in UMRA ($131 million in 2007, adjusted annually for inflation).

MAJOR PROVISIONS

H.R. 3079 would require the Department of Homeland Security (DHS) to develop a program to phase in the Immigration and Nationality Act, as modified by H.R. 3079, for CNMI. The transition period would begin approximately one year from the date of enactment of the bill and would end on December 31, 2013. The program would include procedures for issuing visas to certain alien workers and investors, family-sponsored immigrants, and employment-based immigrants.

The bill would authorize the Department of State to issue nonimmigrant visas to admit temporary alien workers to CNMI. For temporary alien workers who would not otherwise be eligible for admission into CNMI, H.R. 3079 would require that DHS establish and administer a system for issuing a decreasing number of annual permits to employers allowing them to hire such individuals during the transition period.

H.R. 3079 also would provide Congressional representation for CNMI by creating a nonvoting delegate in the House of Representatives beginning in January 2009. Under current law, the Commonwealth of the Northern Mariana Islands elects a Resident Representative who represents the CNMI government in the United States but has no official status in the Congress. As a nonvoting Member, the delegate would have some of the same powers of a full-fledged Member, including the ability to introduce bills, offer amendments, and vote in House committees, but would not be able to vote on the floor of the House. In addition, the delegate would receive the same compensation, allowances, and benefits as a Member.

ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary impact of the bill is shown in the following table. The costs of this legislation fall within budget functions 150 (international affairs), 750 (administration of justice), and 800 (general government).

	By Fiscal Year, in Millions of Dollars				
	2008	2009	2010	2011	2012
CHANGES IN SPENDING SUBJECT TO APPROPRIATION [a]					
Estimated Authorization Level	3	1	2	2	2
Estimated Outlays	2	2	2	2	2

a. In addition to the costs shown above, CBO estimates that enacting H.R. 3079 would increase direct spending by about $2 million over the 2009-2017 period. The bill could also affect revenues, but we estimate that any net change in revenues would be insignificant in any year.

BASIS OF ESTIMATE

CBO estimates that implementing H.R. 3079 would increase discretionary spending by $10 million over the 2008-2012 period, assuming appropriation of the necessary amounts. In addition, we estimate that enactment of H.R. 3079 would increase direct spending by about $2 million over the 2009-2017 period.

Spending Subject to Appropriation

This estimate assumes that the bill will be enacted near the beginning of calendar year 2008 and that the necessary amounts will be appropriated for each year.

New Representative. Based on the current administrative and expense allowances available for Members of the Congress and other typical office costs, CBO estimates that the addition of a new nonvoting delegate would cost about $1 million in fiscal year 2009 and about $7 million over the 2009-2012 period, subject to the availability of appropriated funds.

Department of Homeland Security (DHS). Implementing H.R. 3079 would require DHS to establish a system to carry out immigration adjudications, inspections, and related activities in CNMI. We expect that by 2010 the department would cover its costs by collecting fees from applicants for visas. Based on information from DHS, we estimate that the department would need an appropriation of about $3 million for start-up costs in 2008, including information technology systems, facilities and other infrastructure, and for relocating and training personnel.

Direct Spending and Receipts

Enacting H.R. 3079 would increase direct spending for paying the salary of the new nonvoting delegate and the costs of associated benefits. CBO estimates that the increase in direct spending for Congressional salaries and benefits would be about $2 million over the 2009-2017 period. That estimate assumes that the current Congressional salary of $165,200 a year would be adjusted for inflation in future years.

Enacting H.R. 3079 would increase collections of immigration fees by DHS beginning in fiscal year 2009. Because DHS could spend such collections without further appropriation, the provision would have no significant net impact on direct spending.

The Department of State also would collect certain fees for immigrant and nonimmigrant visas, but we estimate that such collections would be offset by higher spending on consular programs and thus would have a negligible net effect on direct spending.

ESTIMATED IMPACT ON STATE, LOCAL, AND TRIBAL GOVERNMENTS

H.R. 3079 contains several intergovernmental mandates as defined in UMRA. The bill would amend the covenant between the United States and the CNMI to apply federal immigration laws to the commonwealth. Current law preserves CNMI's authority to administer its own immigration policies, so the preemption would be a mandate as defined in UMRA. The bill also would require CNMI to enforce a cap on alien workers until the preemption goes into effect, provide certain information to DHS, and operate its refugee program in compliance with an expired agreement with the Department of the Interior. CBO estimates that the preemption of local immigration laws would impose no costs on the CNMI government; the other requirements would not result in a significant increase in the workload of the commonwealth immigration staff. The total cost of complying with the mandates in the bill would be below the threshold established in UMRA ($66 million in 2007, adjusted annually for inflation).

The bill would authorize CNMI to be represented in the U.S. Congress by CNMI's Resident Representative. If CNMI chooses to select a delegate, it would have to hold biennial elections in even years. (All CNMI elections now take place in odd years.) Based on information provided by CNMI officials, CBO estimates that the cost of each election would be about $25,000. CNMI would save substantially more than that, however, because it would no longer pay for a Resident Representative in Washington, D.C., once a delegate is elected and in place. The expenses of the delegate's office would be paid by the federal government.

ESTIMATED IMPACT ON THE PRIVATE SECTOR

The bill would replace the CNMI immigration system with U.S. immigration laws. In addition, the bill would authorize the Secretary of Homeland Security to oversee the transition from CNMI laws to U.S. laws. In doing so, it would impose a private-sector mandate, as defined in UMRA, on employers in CNMI by restricting the number of permits allocated for temporary alien workers. CBO cannot estimate the cost to employers since we cannot predict the extent to which the provision would reduce the number of temporary alien workers in CNMI.

H.R. 3079 also would impose a private-sector mandate on some aliens lawfully residing or working in CNMI by requiring them to leave the islands before the end of the term for which they were authorized to stay or work. Under the bill, no alien lawfully admitted into CNMI would be allowed to stay for more than two years after commencement of the transition period, regardless of whether they were authorized to remain for a longer period of time. CBO cannot estimate the cost of complying with that mandate because we cannot predict the number of lawfully admitted aliens that would be required to leave or the cost they would incur.

The bill could impose additional private-sector mandates as a result of regulations established by the Secretary to implement the new immigration system. Because of the multiple uncertainties associated with those mandates, CBO cannot determine whether the aggregate cost of the mandates would exceed the annual threshold established in UMRA for private-sector mandates ($131 million in 2007, adjusted annually for inflation).

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